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SUMMARY OF THE YUGOSLAV PRESS

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Yugoslavia: Laws, Statutes, etc.

THE YUGOSLAV SOCIAL PLAN FOR 1965

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THE LAW ON ECONOMIC PLANNING MEASURES FOR 1965

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THE LAW ON THE FEDERAL BUDGET FOR 1965

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THE FEDERAL BUDGET FOR 1965

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C O N T E N T S

	Page
YUGOSLAV SOCIAL PLAN FOR 1965	1
LAW ON ECONOMIC PLANNING MEASURES FOR 1965	43
LAW ON THE FEDERAL BUDGET FOR 1965	79
FEDERAL BUDGET FOR 1965	91

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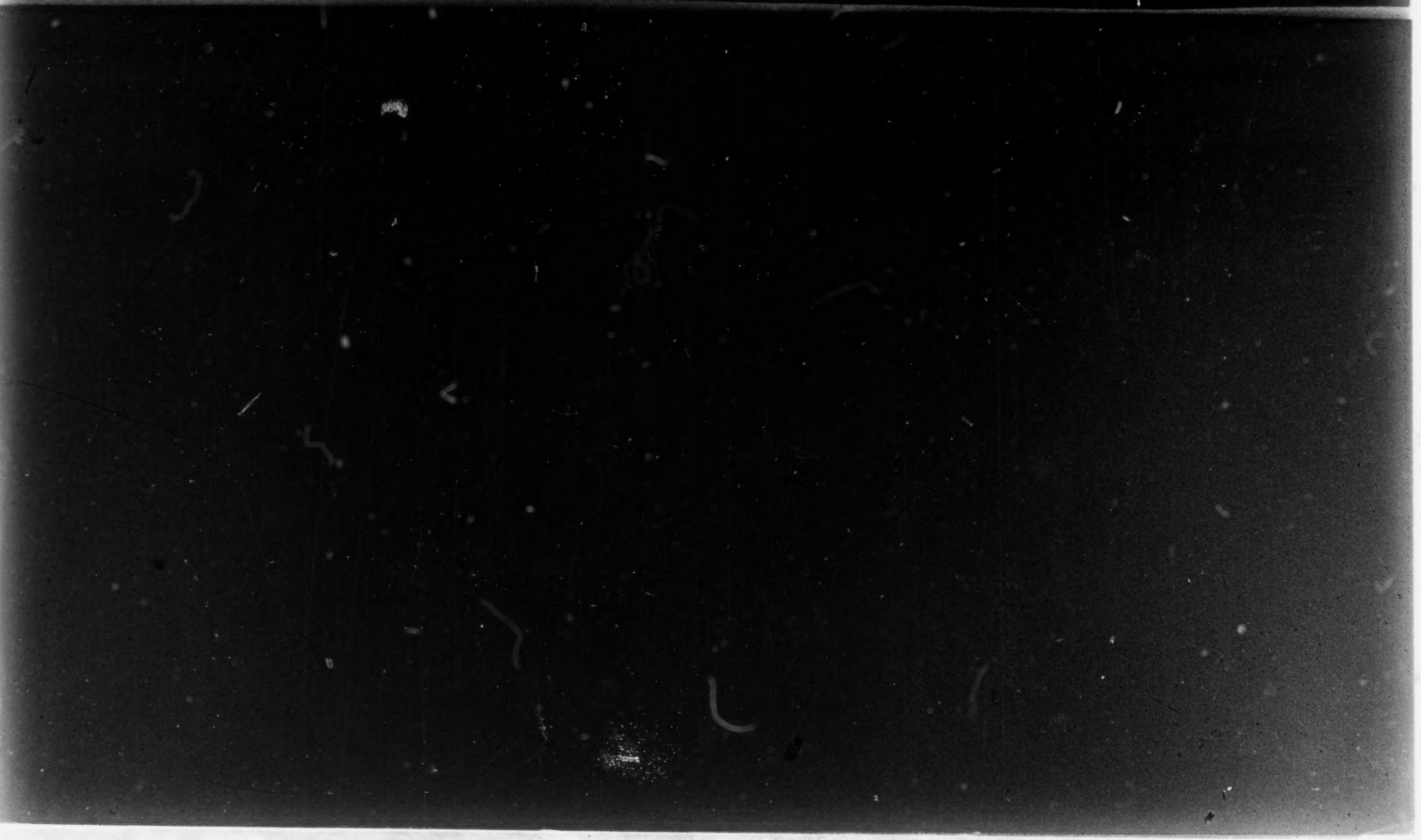

Under the provisions of Article 217, Paragraph 1, Item 1, of the Constitution of the Socialist Federal Republic of Yugoslavia, I issue the following

D E C R E E

PROCLAIMING THE YUGOSLAV SOCIAL PLAN FOR THE YEAR 1965

The Yugoslav Social Plan for the year 1965, adopted by the Federal Assembly at the meeting of the Federal Chamber of January 26, 1965, and at the meeting of the Economic Chamber of January 26, 1965, is proclaimed.

P.R. No. 120

Belgrade, January 27, 1965

President of the Republic,

Josip Broz Tito

President of the
Federal Assembly,

Edvard Kardelj

YUGOSLAV SOCIAL PLAN FOR THE YEAR 1965

The fixing of the aims, tasks and guidelines with respect to the perfecting of the economic system, the development of economy and of the material basis of other social activities in the Yugoslav Social Plan for the year 1965, is founded by the Federal Assembly on those bases which have been adopted by the Resolution on the Further Development of the Economic System, as well as by the Resolution on the Development of the Yugoslav Economy during the period from 1964 to 1970.

The Federal Assembly considers that the economic policy laid down in the Yugoslav Social Plan for the year 1965, as well as in the plans of all other socio-political communities and work organizations, should make possible the execution of these attitudes in accordance with the conditions which will exist in the coming year, thus ensuring the further perfecting of the social relations and of the economic system as well as the material development on those basic lines and guidelines which are fixed by these Resolutions.

Chapter I

THE BASIC AIMS AND TASKS OF THE ECONOMIC POLICY FOR THE YEAR 1965

The economic development and the trends in the economy in the year 1964, and the basic aims of the economic policy for the year 1965

1. During 1964, there has been achieved a high growth rate of production and a further important growth of productivity of labour, and, in connection with that, there has been a real increase in the personal incomes on the whole, as well as a rapid growth of all other forms of expenditures in their nominal and real expression. During the course of the year, further measures of perfecting the economic system were carried out, the conditions

of business operation in some of the economic branches were improved, and the material basis of self-management in our economic organizations was expanded.

2. Besides the positive results which were achieved, however, there were also certain critical situations in the incomes distribution and a disharmony and derangements in the market. The high and dynamic economic activity aggravated the structural problems both within the framework of the domestic production and in the economic relations with foreign countries. Besides this, the increased production was achieved with greater employment than in the preceding two years.

Even with the high growth of production, demand has been growing much faster, as a result of which an imbalance between demand and supply has occurred. The imbalance on the market influenced a growth of prices in production, a considerable growth of the cost of building and of the cost of living. In that respect, capital spending in particular has been one of the basic initial causes of the upsetting of balance between the purchasing power and the commodity funds.

These derangements considerably upset the planned ratio in our balance of payments and in our foreign trade exchange, in view of the fact that there occurred a relative slow-down in the development of exports because of the increased interest of the producers for the marketing of their products on the domestic market, and there was also a rapid growth of imports and an increase in the deficit in the balance of payments with a corresponding increase in the debts.

The aforementioned phenomena have once again emphasized the existing inadequencies in our economic system and in the mechanism of the functioning of our economy, the late reaction of the trends in the economy, as well as the insufficient elaboration of the means and methods of our economic policy by means of which it is necessary to ensure harmony in the development.

3. In the situation created by the effect of the elements of the imbalance, and with the aim of maintaining the general favourable tendencies of development of economy of the preceding two years, measures have been undertaken directed towards stabilization of the trends in the economy, i.e., removal of the gap between the excessive demand and the commodity funds, towards restriction of capital spending, towards creation of reserves in the funds for budgetary expenditure, towards

a stronger control of the bank credits and a stricter regulating of financing of our economy with working capital, towards a decelerated movement of consumer credits, and towards a more effective carrying out of the prescribed foreign exchange regime for the purpose of mitigating the upset ratio in the balance of payments.

Although the positive effect of these measures in certain fields have already started finding expression, they have not yet been able to yield full effect during the short period of time they have been in force. Factors of imbalance still exist, and they are being manifested through considerable accumulated purchasing funds, through a decelerated formation of stocks, through an absence of any important foreign exchange and material reserves and through a reduced liquidity of our economy vis-a-vis foreign countries.

4. From the development of the material production so far and from the social relations in our economy, as well as from the situation which existed in our economy at the end of 1964, it results that the economic policy for the coming year should be aimed at two basic goals which are to give the stamp to the whole of the economic activity and which are closely connected and inter-dependent, namely:

First, to continue intensively carrying out further measures in the direction of perfecting our economic system in the spirit of the Guidelines contained in the Resolution passed by the Federal Assembly, and

Second, to adopt a firm course towards stabilization of the trends in the economy.

Tasks with respect to further perfection of the economic system

5. In connection with the Guidelines contained in the Resolution of the Federal Assembly on the Further Development of the Economic System, one part of the changes have already been carried out during the course of the year 1964. This applies in particular to the abolition of the contribution to the investment funds of the republics and Opstina and to the abolition of the contribution from income of the work organizations of certain economic activities, as well as to the change of the level of the prices of agricultural products, coal, electric current and other reproduction materials.

Besides this, during the course of this past year, the Basic Law on the Financing of the Socio-Political Communities and the Basic Law on Pension Insurance, which will be put into effect in 1965, were adopted. At the same time, the Draft Law on Planning, the Draft Law on Banks and Credit Business, the Draft Law on the National Bank, the Draft Law on the Federal Fund for the Financing of the Economic Development of the Economically-Underdeveloped Regions of the Country, the Draft Law on the Turnover Tax, the Law on Reserves, the Draft Law on Electro-Economy, and the Draft Law amending and supplementing the Law on Organization of Railways have been prepared or are in the course of preparation. The regulation of these questions by law makes it possible, in the spirit of the guidelines that have been set, to coordinate the character of the plans and the functions and responsibilities of individual social factors in the system of planning, with the character of our economic planning, to adapt the banking apparatus and its functions to the new role of the work organizations in expanded reproduction, to coordinate the system of financing the underdeveloped regions of the country with the general principles of our economic system, to establish a permanent basis for the financing of the socio-political communities which will make possible a higher degree of their independence in the securing of funds in accordance with their needs and possibilities, and also to continue perfecting the system of distribution of incomes.

It is necessary that the responsible organs prepare the final drafts of the laws and submit them for adoption, and also that they prepare and submit the drafts of other legal dispositions which relate to the improvements in the economic system on time. It is also necessary to create, through the plans of the socio-political communities, such relations and conditions which will make it possible for the operation of these legal dispositions to reflect in the most adequate manner possible in the appropriate fields of our economy and in the functioning of our economic system.

6. With respect to other measures in the direction of improvement of our economic system, and for the purpose of elimination of the unfavourable effect of certain instruments on the conditions of economic operations, the following shall be carried out:

- abolition of the general turnover tax in the field of production;

- abolition of payment of contribution from income in the case of those economic groups and branches with which, in view of the conditions of the business operations and price ratio, that is possible to be carried out at the beginning of this year;

- abolition of turnover tax on insurance premiums;and

- introduction of facilities for payment of annuities in the year 1965 for those economic groups which, because of the unsettled price ratio and other conditions of business operations, are in an unfavourable economic position.

In the further endeavour to ease the annuity obligations of the economic organizations in connection with the credits which the Communal Banks and the Republican Banks have granted for participation in the investment expenditures in the case when the basic financing was done from the resources of the former General Investment Fund, it is necessary to make it possible for the economic organizations which use these credits for participation in the investment expenditures to repay them within the same time and with the same rate of interest as the repayment periods and the rates of interest in the contracts on credits from the resources of the former General Investment Fund. In that sense, a specific intervention by the socialist republics will be needed for the sake of quicker removal of the differences in the conditions for the granting of credits to the economic organizations.

Besides their effect on the conditions of business operations, these measures will, at the same time, contribute to the strengthening of the material position of the work organizations. Together with the measures already undertaken in respect to abolition of contribution to the social investment funds, the abolition of contribution from income in those branches in which this has been carried out during 1964, and by the effect of the other measures that have been undertaken, such changed conditions will result in an increase of the available funds of the work organizations for investments in their fixed assets and working capital, in possibility of the work organizations to form funds for personal incomes in accordance with the fixed policy in respect to growth of personal incomes and raising of the living standard, as well as in a further increase in their liquid funds, which will make it possible for them to create larger reserves and to have more flexible credit relations with the banks.

7. With respect to the further perfecting of the foreign trade and foreign exchange systems, it is necessary to base this system more consistently on the direct interests of the work organizations to develop foreign trade activity and also apply more consistently the existing system in the relations between the banks and business, as well as in the relations between the banks themselves.

retention

To this end, it is necessary to continue further adapting the system of tying imports to exports and the system of appropriate contracts between the banks and business organizations, in the direction of the creation of a more flexible system, but at the same time the creation of full responsibility both for the business organizations and for the respective banks. To this end, it will be necessary to also make the practice of ~~restrictive~~ quotas possible.

8. With respect to the aforementioned changes which have been introduced ever since the beginning of 1965, that is, from the date of adoption of the mentioned legal dispositions and decisions, it will also be necessary during the course of 1965 to prepare and carry out further decisive steps in the direction of realization of those concepts about improvement of the economic system which are fixed in the mentioned Resolution.

In view of the fact that a great number of further changes and improvements in the economic system is tied to the problem of price ratios as a method of balancing exports and imports in the trade exchange with foreign countries, the responsible organs shall, on the basis of the preparatory work which has been done during the course of this past year and the work which has still to be done, propose for adoption measures which would create conditions:

- for making possible a more balanced price ratio both in the domestic market and in the trade exchange with foreign countries, which would make also possible more harmonious relations in the economic position of individual activities; this applies in particular to the following activities; electric power, non-ferrous metallurgy and other branches of basic industry, production of basic reproduction and building materials, and transport; in these activities, it is necessary to replace the system of ceilin, prices by more suitable forms and price policy instruments, and also to undertake other measures in the direction of improvement of the conditions of business operations;

- for reducing, on the basis of the changed price ratio, the siphoning of funds by means of tapping incomes through tax levying, on the one hand, and subsidies and recompensations, on the other hand; to that end, it is necessary to submit proposals for further changes with respect to the instruments of distribution which would encompass abolition of contribution from income in those activities in which it is still maintained, change of the role and function of the turnover tax, that is, its transference to the area of consumption, adaptation of the rates of interest on business funds to the changed price

ratio and the conditions of business operations, as well as revision of the existing system of recompensations and subsidies;

- for the carrying out of further improvement of the foreign trade and foreign exchange system on the basis of the changed price ratio and the method of balancing of accounts in the trade exchange with foreign countries;

- for the carrying out of an appropriate harmonization of personal incomes to the extent to which the changes in prices would reflect on the cost of living, whereby the personal incomes would at the same time assume a more realistic place and importance in the distribution of incomes also as a factor of production;and

- for further perfecting the system of funds and amortization in the work organizations, so as to make it possible, while maintaining the integrity of the value of the public funds, for the work organizations to form their funds and amortization as much as possible in accordance with their role in the expanded reproduction, with the functional expenditures of the funds, and with the needs of modernization and advancement of production.

Besides this, the responsible organs have to study the problem of extra income under the conditions of all the changes and improvements in the economic system, and submit a report on that.

The proposals for these changes should be prepared and submitted during the first half of 1965. For the activities of certain basic reproduction materials, as well as of transport, the changes in the prices and conditions of economic operations should be carried out within a shorter period of time, on the basis of separate proposals, so that the exceptional unfavourable consequences of the existing conditions for the economic operations in these activities could be removed and so that the situation in the reproduction materials market can be stabilized. Similarly, it is necessary to determine the groups of materials for which the system of prices has to be changed and make a freer operation of the market possible.

9. Parallel with the preparations for changes in the housing economy and in the methods of financing house-building, it will be necessary to study and propose measures by which the material, financial and credit conditions will be adapted to these changes and the instruments which regulate the setting aside and formation of the appropriate funds changed.

10. In connection with the aforementioned changes and improvements in the economic system, it will be necessary to construct the conditions and the methods of formation and utilization of the funds for expanded reproduction, and, within that framework, especially also the system of formation of long-term bank deposits and the establishment of a fixed period for withdrawal of funds from banks, the terms and conditions with respect to the rates of interest which should safeguard the economic interest for freer circulation of the funds intended for expanded reproduction, as well as the ways and methods of formation of funds for long-term investments.

Stabilization policy and tasks with respect to realization of the basic proportions necessary for harmonious trends in the economy

11. Bearing in mind the situation in our economy created by the development during 1964, as well as the measures undertaken in the direction of coordination of the trends in our economy, the Federal Assembly determined that a course towards a firmer stabilization of the economic development should represent the basis of the economic policy of all the subjects of the social process of reproduction in 1965.

The tasks of the stabilization policy have to be directed towards maintenance of further dynamic growth of production, but in such ratios as will not lead to a sharpening of the structural disharmonies in the domestic production and consumption, nor cause a stronger pressure on the balance of payments.

The basic requisite of the stabilization policy is that of maintenance of balance between the purchasing and commodity funds in the market. Consequently, the development of the various forms of spending should be in accord with the available funds, and the economic policy should be ensured of such a formation of the purchasing funds as would establish this balance.

12. In view of the fact that in 1964 the excessive capital spending upset the balance of spending and was one of the basic initial causes of the derangement, in the coming year it will be necessary to ensure that the capital spending in the nominal amount is maintained at approximately the level attained in 1964, which would make it possible for the total investments, especially the

economic investments, on the real scale to be even lower than the scale realized in that year. In connection with this, it is necessary to ensure a growth of the investments only in the case of house-building and in the case of those investments which are made from the resources of the economic organizations, while the investment from other resources on the real scale should be lower than in 1964.

In 1965, it will be necessary to provide public funds for the elimination of the damage caused by the floods on the territories of Croatia and Slovenia. The amount of these funds and the method of setting them aside will be determined by special regulations immediately after the responsible organs and the special commission, which have been set up for this purpose, submit the appropriate proposals, while in the meantime the work for the elimination of the damage will be made possible by special cash advances. The capital funds necessary for this purpose should be ensured within the framework of the total volume of planned investments and the available funds for investments.

For the purpose of further changes in the distribution of the national income, it will be necessary to ensure that the growth of the real personal incomes on the whole is faster than the growth of production and of productivity of labour, which would make possible a further increase in the real consumer spending and the raising of the living standard of the workers, as well as a strengthening of the share of consumer spending in the distribution of incomes and of the total available funds.

In the general spending, it is necessary to carry out appropriate measures for saving so as to bring that amount into conformity with the real possibilities. For the purpose of coordinating various forms of general spending which are showing a tendency of high growth, with the material possibilities, it is necessary, by means of strict saving, to reduce them to realistic limits. It is especially necessary to practise saving in the budgetary expenditures on the whole, at the same time being careful that such an increase of the personal expenditures is ensured as corresponds to the general policy of increasing the personal incomes. At the same time, it is necessary, by means of a different distribution of funds, to make possible corrections in the personal incomes and improvement of the material conditions and of the system of formation of incomes in the public services, especially in education which is lagging behind the general development. The amount of the incomes and the structure of the expenditures of the

social security funds, of certain social organizations and work organizations outside economy, also point out great possibilities for cutting down contributions, membership fees and other encumbrances to which the economic organizations are exposed, as well as possibilities for saving in the expenditures. To that end, it is necessary that the responsible organs most urgently study the situation and the problems, that they re-examine the amounts of the rates of contributions and of other forms of tapping, as well as the regime for spending funds, and that they propose appropriate measures for reducing the whole of the general spending and its individual parts to a realistic level.

One of the basic areas in which the effect of the stabilization policy should be felt, is that of the balance of payments. Both by the measures of our whole economic policy and, in particular, by measures in the field of the foreign exchange and foreign trade system, it is necessary to ensure that, with more balanced trends in the domestic market, a possibility is created for a more effective increase in our exports while maintaining the imports within the limits which are made possible by the acquired foreign media of payment.

13. On the basis of an analysis of the conditions of development, it is revealed that it would be possible to expect the execution of the general policy in the year 1965 in the following basic proportions:

Conditions exist for the social product growing in realistic trends by about 9 per cent, with a further increase in the productivity of labour and a deceleration of growth of employment compared with this past year. With such trends in our whole economy, the growth of the social product in the state sector could amount to about 10 per cent, the growth of the physical volume of the industrial production by about 11 per cent, and that of the agricultural production by about 3 per cent. The growth of the productivity of labour would amount to about 7 per cent and the growth of employment to about 3 to 3.5 per cent.

In the foreign trade relations, it is necessary to ensure a quicker growth of exports than imports, as well as an increase in the non-commodity foreign exchange inflow, which would lead to a reduction in the current deficit in our balance of payments.

Considering the reduced current deficit in the balance of payments and the reduction of the inflow of additional foreign funds on that basis, the growth of the available funds for expenditure in the state sector could amount to about 6 per cent.

In proportion to such a formation of funds in the state economy, the policy of development of individual forms of expenditure, which would proceed from the aforementioned propositions of the economic policy, could be formed in the following proportions:

The real personal incomes in the state sector would grow at a rate of over 12 per cent, and the real incomes per job-holder at about 9 per cent, i.e., faster than the rate of the productivity of labour.

The capital spending in the state sector, in realistic volume, should be reduced by between 3 per cent and 4 per cent compared with 1964, and this by reduction of the volume of the economic investments in the fixed assets by between 7 per cent and 8 per cent, while the investments in house-building and in other fields of living standard could achieve a real increase in the volume of about 8 per cent.

The material expenditures of general spending could grow by up to 4 per cent, while the personal incomes in the institutions that are financed through the budget and in the public services would progress in accord with the general growth of the personal incomes in the state sector.

Such a ratio between production and spending would make possible a growth of the reserves, especially the growth of the stocks of goods in the production and trade, which on its part would influence stabilization of the situation of prices and in the market.

14. It is necessary to undertake measures in the direction of increasing the reserves in our economy. According to the situation in the domestic market and in the commodity exchange with foreign countries, the federal organs will undertake measures for replenishment of the material reserves, as well as for increasing the foreign exchange reserves. It is also necessary that the socio-political communities proceed with the formation of such reserves which would make it possible for them to make interventions in the market, especially in the case of the agricultural products, as well as the formation of reserves which would ensure them stabler conditions in the financing of their activity. For the purpose of improving the conditions of this business, the work organizations should, in the distribution of incomes, set aside the necessary permanent working capital and also increase their reserve funds.

15. Under the influence of the dynamic motion of the prices and cost of living already achieved during 1964, the nominal trends in the purchasing funds for various forms of spending during 1965 will show, when compared with the average effects realized during 1964, higher indices of growth than the real trends already described. Consequently, the whole of the policy of formation of purchasing funds in nominal expression in individual sectors should also be adapted to the trends of prices already realized and with the aforementioned possibilities in real spending, in connection with which it is necessary primarily to remove the lag in the personal incomes and in the funds for the development of those work organizations and economic groups which are lagging behind the general development.

16. For the purpose of maintaining this situation, it is necessary to develop further the system of measures which was applied in the year 1964 for stabilization of the trends in our economy, and adapt them to the stated aims of our economic policy. The Law on the Economic Planning Measures in the year 1965 will specify the measures by which the formation and expending of the public funds especially in the field of capital spending will be regulated, as well as the appropriate measures in the field of the credit policy.

In view of the fact that the formation of funds for the general expenditure of the socio-political communes is done on the basis of the decisions and instruments which they themselves determine independently, it is necessary that their policy in that respect be coordinated with the general guidelines of the economic policy fixed by this Plan.

The distribution of income inside the work organizations, and especially the formation of funds for personal incomes, should make it possible to contribute, by appropriate decisions of the work organizations, to the realization of the aims and tasks of the economic policy in 1965.

17. The credit policy in 1965 should be adapted to the basic tasks of the stabilization policy laid down by this Plan. To that end, by means of short-term bank credits, the necessary monetary funds will be ensured for the economy for the performance of the processes of production and trade, with the understanding that the financing of final consumption is not made possible by these credits. Besides this, short-term bank credits will also be allotted for the production of goods for export and for the production of specific agricultural articles for which there is an increased demand, but on a scale which will not have a negative influence on stabilization of our economy.

In the case of granting credits for investments in fixed assets from bank resources, it is also necessary to ensure corresponding investments in the permanent working capital.

The measures undertaken towards the end of 1964 in regulating the volume of the bank credits and of the monetary funds, will also be applied in 1965, and, if need be, other appropriate measures will also be undertaken for the purpose of limitation of issuance of bank credits to a scale which the stabilization policy demands.

For the purpose of ensuring the most stable situation possible in the market and ensuring the influence of the credit policy on that situation, it is necessary to study the methods and criteria of selective conditions of financing our economy.

18. By realization of the economic policy determined in this way by all the pillars of the economic activity--ranging from the economic organizations themselves, from the socio-political communities, to the federal organs--it is necessary to ensure the effectiveness of the stabilization measures and a quicker realization of more harmonious relations in the development. In connection with this, it is necessary to continue carefully analyzing and following the situation in the market and in the economy, to detect the trends and reactions in time, and also to efficiently carry out the coordination measures in all areas where this is necessary for achieving the necessary effect in the realization of the fixed economic policy.

19. During 1965, when further changes in the price ratios are carried out and further measures are undertaken in the direction of improvement of the economic system, it will be necessary to extend the task of the stabilization policy to the maintenance of the newly-created price ratios, to stabilization of the cost of living and to a steady growth of the real incomes and of the living standard, to a continuous improvement of the balance of payments, to stabilization of the conditions of business operations for the work organizations, to a continued increase in the foreign exchange and material reserves of our economy, to stabilization of the situation in the granting of credits and a more stable functioning of the whole of the monetary policy, all of which should make possible a more effective economic development during the coming period and more perfect relations in the system of self-management and in the economic system.

Chapter II

THE TASKS IN THE PRODUCTION AND INVESTMENT POLICIES

1. The further development and improvement of the economic system and other measures of our economic policy, a creating more favourable conditions for the work collectives for next year for business operations and broader possibilities for development, and at the same time imply their greater responsibility both for their own development and for the development of the whole of the public economy.

However, the stabilization policy, especially the restriction on the investments and on the general spending, of necessity entails a more moderate growth of demand in the domestic market. In such a situation, possibilities for development of the activities of the work organizations cannot be sought and exhausted solely in the domestic market, which is already too narrow to always permit a more profitable production with high productivity of labour. Therefore, a real and essential basis for the development of production is a broader participation in foreign trade, especially toward realization of business relations with foreign markets on a permanent basis.

In conditions of stabilization of the economy, the measures and efforts in the direction of quicker growth of productivity of labour, must find full expression both in the investment policy and in the employment policy, and similarly also in the organizational measures and other actions in production. To that end, the investment in expanded reproduction should be directed towards more intensive mechanization and modernization of our economy.

For the purpose of achieving greater effect in the carrying out of the investment policy, in the growth of the productivity of labour and in the general economic and social development, it is necessary to tie the making of the investment decisions, especially in the case of more important projects, to previous scientific study and research.

2. In accord with the general directions of development of production and with re-distribution of the social product in favour of consumer spending, it is necessary to ensure in the field of industry a corresponding increase in the production of the articles for mass consumption, while for an unimpeded functioning of our economy and for improvement of our balance of payments, it is necessary to utilize to the maximum the plants for the production which is intended for export and the plants for the production of power and of materials for reproduction.

The newly-constructed plants and the imports will improve the electric current supply. However, even so, it is necessary to reckon with a reduction in the electric current consumption, although on a smaller scale than during this past year. In other sectors of power also it is necessary to reckon with the need of full rationalization of consumption and a more flexible substitution of the scarce forms of power.

Besides the increased domestic production of certain basic reproduction materials, especially in the field of metallurgy, chemical industry and paper industry, the envisaged balance of payments permits imports on a scale which could ensure the expected growth of industrial production. The tasks that have been set, with respect to improvement of the balance of payments, demand, however, a more consistent carrying out of the measures of tying the imports to exports as well as fulfilment of the requisite obligations under contracts, because without that occasional difficulties in connection with production in the case of certain producers or in the case of certain activities as a whole could occur. It is necessary to deal with the problem of supply of the reproduction materials on a larger scale by also using other, cheaper and less scarce materials, while for the purpose of their utilization it is necessary to undertake appropriate economic measures.

The dependence of increased production upon increased exports will especially find expression in the case of production of equipment whose development in 1964, with respect to participation in international trade, did not show favourable tendencies. With the aim of improving the balance of payments and with the object of having the domestic machine-building industry develop in the most expedient manner, it is necessary to orientate its production more consistently towards a specialized and economically justified production of complete equipment and towards a more permanent consumption of goods while maintaining the necessary cooperation with domestic and foreign industry.

The basic aims of the production policy in our industry have to be maintained by an appropriate streamlining of the capital funds. For the development of production, especially with respect to increase in the productivity of labour, of particular importance will be increased funds with which the work organizations will have at their disposal. On the basis of investing those funds, it is possible to expect the creation of more favourable conditions for modernization and reconstruction for quicker increase in exports and a more qualitative supply for the domestic market. The

additional funds from federal resources and the credit funds of the specialized banks will be used primarily for continuation of construction of the projects on hand in the field of electric current generation and ferrous metallurgy production, as well as for the investments by which a quicker effect in larger exports is achieved. Besides this, on the basis of foreign loans and commercial credits, which have been secured through the commercial banks, we shall be continuing the construction and proceeding with expansion of important production plants in the field of power and in the production of reproduction materials, while preparations are also in progress on the basis of which there will be ensured for the coming period the necessary new power resources and production of domestic raw materials, including also the necessary expansion of the production of cement.

The inter-connection of the work organizations, their connection with the banks, as well as their joint rendering and realization of the investment and other economic decisions should also contribute to quicker and more effective realization of the fixed production policy. It is especially necessary to develop cooperation of the processing industry enterprises with the enterprises which produce raw materials, semi-finished articles for building, as well as with the transport and other enterprises in accordance with the needs of the consumption in the country and the export possibilities.

3. The reduced rate of investments will give rise to a more moderate demand of the building services and building materials. Under such conditions, by means of increased mechanization in the building trade and its more proper utilization, it is possible both to stop further growth of employment and more decisively switch-over to more intensive production in this field. To this end, it is necessary to examine as urgently as possible, the conditions of the business operations in the building trade. A broader application of engineering and of the system of production of apartments for sale would contribute considerably to the stabilization of the building market, to business cooperation among the work organizations, and to a more efficient organization of work, as well as to the lowering of the building costs.

Such a production orientation and such changed conditions in the market will have a more decisive effect on the improvement of the quality and assortment of the building materials, which will, at the same time, contribute to mitigation of the existing shortages in their production.

A consistent respecting of regulations, especially the regulation under which construction of individual structures cannot be proceeded with without first of all securing the necessary capital funds and complete technical documentation should also contribute to greater effectiveness in the building trade. Implementation of these regulations will also be carried out by an appropriate credit policy with respect to the investors and to the building enterprises as well as with respect to the producers of equipment and other producers of capital goods or services.

4. The growth of agricultural production should ensure improvement in the meeting of the growing needs of the internal market and at the same time create possibilities for increased export of agricultural produce.

Increase in agricultural production has to be achieved by intensification of production in the state sector and in partnership by more rational application of modern technology. A more effectual application of the available funds for production should ensure a more intensive utilization of the areas of land in the state sector and of the areas cultivated in partnership, improve the utilization of the livestock, and broaden cooperation in livestock breeding.

In 1965, the agricultural producers will have a large quantity of artificial fertilizers, of animal fodder and of other reproduction materials produced in the country and imported from other countries, as well as a great quantity of farm machinery; new plants will be put into production, and new fruit orchards and vineyards will start yielding products, all of which will ensure a favourable material basis for realization of the necessary growth of agricultural production. A better supply of spare parts should make it possible to overcome the difficulties in connection with the maintenance of the machine pool.

By developing the system of remuneration in proportion to work done, parallel with completing the supply of the implements for production, in 1965 already it will be possible to increase the productivity of labour on the big agricultural estates considerably. In connection with this, it is necessary to support, by means of the credit and import policies, the efforts of the work organizations in the direction of achievement of a quicker growth of the productivity of labour also by means of introduction of complete lines of rational mechanization, especially in transport, in maize and sugar-beet production and in certain operations in livestock breeding.

Expansion of cooperation in agriculture should be encouraged by means of more economical operations of the economic organizations, of the collective farms in particular, by means of better organization of the market and of the bulk-buying of agricultural products, by means of extension of the system of insurance of crops and livestock, by means of more effectual work of the technical services, and by means of broader application of the agricultural and other measures. It is necessary to arouse, by means of economic measures, the interest of the private producers to invest more funds of their own in the development of agricultural production and in the financing of the technical services.

The development of agricultural production will also be supported by creation of more stable conditions for the operation by the agricultural organizations and collective farms. For this purpose, the system of guaranteed prices for new products will be expanded and the existing system of recompensations and premiums will be improved; however, the recompensations and premiums should be coordinated with our system and gradually reduced in accord with the trend of the prices in the market, at the same time paying attention both to their influence on production, and to their influence on the economic position and conditions of operation of the work organizations in agriculture. Besides the improvement of the economic position of our agriculture in 1964, the agricultural organizations will be able to enjoy facilities in connection with the payment of annuities in 1965. These measures will make it possible for the work organizations in agriculture to participate on a much broader scale in the financing of expanded reproduction.

For the purpose of realization of these tasks from federal funds, besides the financing of the development of the Danube-Tisa-Danube System and of the land-reclamation in the Macedonian Socialist Republic, participation in the credits for investments in the fixed assets and permanent working capital will be ensured through the Yugoslav Agricultural Bank for the purpose of intensification and modernization of agricultural production, but primarily by increasing the areas of arable land of the work organizations, by purchasing agricultural equipment--especially for completion of mechanization for crop farming--and by opening plants for production of animal fodder and for production with the aim of increasing exports.

For the purpose of realization of these aims, the Yugoslav Agricultural Bank should also fix the purpose for which and the time-limit by which the free funds of the economy may be used and in doing so cover from its

own resources the difference between the interest it will be paying to the work organizations which deposit these funds for special purposes to be used by a fixed time-limit and the lower interest it will be collecting on the credits it grants. It will be necessary to study the conditions for making it possible for other commercial banks to get recompensation for the difference between the interest on the funds for special purposes to be used within a fixed time-limit deposited for the development of agricultural production and the interest they will be collecting on the credits they grant.

5. In forestry, more moderate felling of trees and work on development of forests are envisaged for the year 1965. In connection with this, it is necessary to support the previously manifested tendencies in the exploitation of forests; increased participation of trees for industrial processing in the total forest production.

For the purpose of a more adequate structure of the forestry articles, a more rational utilization of wood by using other materials in place of wood and by making greater use of the waste in the processing, as well as for the purpose of increasing the export of cut timber of coniferous trees, it will be necessary to study the ratio of prices for the forestry products and the lumber industry products, and make appropriate changes in 1965.

The improved economic position of the forestry organizations, because of the increase in the prices for the forestry products made in 1964, creates conditions for increasing the amounts in their funds. For the purpose of increasing the production and productivity of labour, the available funds for investments should be directed towards the building of forest communications and purchase of equipment.

6. Fuller and more effective satisfaction of the needs of the economy and of the population with respect to the transport services will further require more intensive and more rational utilization of the transport facilities and their expansion by means of quicker removal of bottlenecks by purchasing transport vehicles, re-loading equipment and other transport equipment, by modernization of the communications facilities and of other transport structures. Of particular importance will be more intensive continuation of the work on modernization of the main railway lines, whereby their capacity and safety will be increased during the coming years, and the transport expenses reduced, and there will also be greater utilization of the possibilities which the river transport offers.

In accord with the general investment policy, the building of railway lines and of roads will be continued, primarily in the case of those projects for whose execution foreign loans have been secured and in the case of those whose completion can be achieved quickly.

For the purpose of increasing the present transport capacity and fuller satisfaction of the needs for transport services, it is necessary to improve the organization and conditions of maintenance of the transport and other communication vehicles and also to ensure spare parts supply for the transport service, to develop cooperation and integration, to broaden cooperation between the transport enterprises and the users of transport services in the direction of further improvement of the organization of transport and undertaking measures for further reduction of sporadic transport during the year.

By means of further elaboration of the system of financing investments, it is necessary to strengthen the role of the banking system in the granting of credits for expansion of the transport facilities. The present method of financing the construction of the transport network and of other large ventures in the direction of advancement of the transport service by fixing installments for every year, should be abandoned and in 1965 a switch-over be made to the system of introduction of separate decisions or laws determining the sources of the total necessary funds and the pace of construction of individual structures.

In the operating conditions of the transport organizations, it is necessary to remove the disharmony between the prices of the transport services and the prices of other goods and services, that is, of the actual transport costs, and in that way create conditions for fuller participation by the work organizations of the transport service in the general system of economic operations, which applies in particular to the railway service.

For the purpose of increasing the foreign exchange inflow and improving our balance of payments, it is necessary to devote special attention to the undertaking of measures for increasing appropriate facilities, for their better utilization and for the creation of other conditions for the sake of improving the participation by our transport service in the international traffic in goods, especially in transit business as well as creating conditions for more successful development of tourism.

7. For the purpose of removing the present disproportion between the producing plants and the sales organization, it is necessary, especially because of the quicker growth of consumption planned during the coming period, to increase and better equip the retail shops and the warehouses, and also to direct the modernization of the commercial network and its further development towards the creation of large, modern, in organization and equipment, retail commercial enterprises with a wider circle for conducting business on the whole of the Yugoslav market. The producer organizations should also be included in this process.

For the purpose of ensuring continued production and consumption of agricultural products, it will be of special importance to improve the organization in the marketing of these products, and also to strengthen the public reserves, to increase the storage and refrigeration space, and to equip the commercial network with proper transport vehicles.

8. Further increase of business and improvement of services in the hotel industry has to be achieved by means of introduction of modern methods of organization and business, especially by means of a closer business contact between the work organizations in the hotel industry and the economically connected work organizations in other fields of the economy.

The insufficient extent of modern facilities for the rendering of catering services, imposes the need of primarily effecting reconstruction, modernization and extension of the existing facilities, and also proceeding with the building of new structures for catering to large number of persons.

Further, it is necessary to undertake measures by which will be strengthened the economic position of our hotel industry, especially for the tourist seasons.

9. It is necessary to devote special attention to the perfection of business and improvement of the economic position of the activities which participate in satisfying of the needs of tourists, with the object of boosting and accelerating the development of both domestic and foreign tourism.

In creating more favourable conditions for the development of domestic tourism, it is necessary to create broader possibilities for recreation for the working people and for the raising of the work ability of the population, while improvement in foreign tourism should considerably contribute to improvement of our balance of payments.

For the realization of these aims, it is necessary, above all, to undertake measures in the direction of a large scale utilization of the reserves in the existing facilities, and also to undertake other measures for the development of tourism. In the year 1965, the federal government will participate in the financing of the investments intended for increasing foreign tourism. The investments for the development of tourism should be directed towards increase of the accommodation, feeding and other tourist facilities in those places in which optimal effect will be achieved.

By the envisaged changes in the economic system, conditions will be created for improvement of the material basis of the activities which cooperate with our tourism. On that basis, it is necessary to elaborate such a system of financing investments as will open more lasting and long-term perspectives for the development of tourism.

10. In the field of crafts, the development policy should be directed towards the advancement of all kinds of servicing crafts and servicing activities. The granting of credits to the crafts under more favourable conditions, should contribute to this, as well as a more intensive opening of servicing units through the producer and commercial organizations for repair of durable goods.

Chapter III

ECONOMIC RELATIONS WITH FOREIGN COUNTRIES

1. During 1965, it will be necessary to ensure, while maintaining a moderate growth of imports, quicker growth of experts and in that way achieve a considerable reduction of the deficit in our exchange of goods and services with foreign countries. Improvement of the balance of payments situation should primarily contribute to an increase in the export of industrial goods and a further growth of the non-commodity incomes, especially from foreign tourism and from transport. In view of the considerable growth of imports in 1964, above all import of reproduction materials, it is possible to achieve the envisaged production and export in 1965 on the basis of a smaller growth of the imports, which should be ensured also by appropriate measures and by a more expedient import of goods, giving priority to the imports which directly contribute to increase of exports.

In 1965, it will be necessary to maintain the foreign exchange reserve at least at the existing level, while the situation of the short-term debts in foreign countries for the current needs of our balance of payments should not be increased above the level which was attained in 1964. On the contrary, by measures of our economic

policy it is necessary to strive to improve during the course of next year the position of the foreign exchange reserves and of our debts in foreign countries.

2. Sale of foreign exchange should, in the coming year too, be done as broadly as possible through business relations between banks and the respective work organizations, and in doing so afford the opportunity for maximum utilization of that production capacity which is profitable and which achieves favourable results in exports. On the basis of business relations by which the tying of imports to exports is achieved, the banks are under obligation to ensure a considerable improvement of relationship in favour of exports as compared with the past period. When contracting for sale of foreign exchange, it will be necessary to make it possible for the work organizations to acquire, on the basis of increased exports, additional foreign exchange which will ensure more flexible and more independent transactions in foreign exchange for them as well as greater safety and continuity with respect to the obtaining of supplies from imports.

3. It is necessary that the banks, besides the imports which they contract with enterprises, also keeping in mind their export obligations, to ensure priority with respect to the obtaining of foreign exchange--in accord with the balance of payments possibilities--for those work organizations which supply our economy with the scarce reproduction materials, spare parts and power, which by their production makes the growth of exports of other economic groups possible as well as of those organizations which, by engaging foreign exchange for import of reproduction materials and of equipment, achieve the most favourable economic effects.

4. The commercial banks and the specialized banks should ensure continuity of contractual relations with the economic organizations, demanding fulfilment of the obligations which the economic organizations have undertaken with respect to export and at the same time fulfilling their own obligations with respect to the placing of foreign exchange at the disposal of the economic organizations for the purpose of export. The expending of foreign exchange, ranging from the economic organizations and the commercial banks and the specialized banks, to the National Bank, should be coordinated in that direction with the realized inflow within the limits permitted by the incomes on the basis of the achieved exports and the fixed level of indebtedness in foreign countries. The framework with respect to collections and payments in foreign exchange, should apply to all banks which operate in this field, and their contractual relations with business should be based on that. In such relations, the National Bank also will contract its relations with the specialized banks and other banks.

5. In the coming year too, it will be necessary to support, by all means, the tendency towards increasing the commodity exchange with the developing countries with a simultaneous development of all other forms of economic cooperation which are important for the advancement of cooperation with those countries. This applies in particular to expansion of exports, to the policy of export credits for equipment and capital investments, to the extending of technical aid to those countries, and so forth.

6. The banks have, within the framework of the means of foreign trade and foreign trade system, and also in accord with the existing international agreements and other arrangements, to ensure smooth development of the exchange of commodities and services with individual areas and countries, striving to attain the highest possible level of the foreign trade exchange with a simultaneous expansion of its structure. The import possibilities from the countries with which we have media of payment should be used elastically. From those, as well as from other areas and countries, imports can be increased only if exports are increased by them, and if the exchange of commodities on the whole is increased.

7. In the policy of further development and promotion of trade with foreign countries, it is necessary to ensure the highest possible degree of balance between the inflow of funds and payments, especially with the area of those media of payment we have in larger amounts. Of special importance for further promotion of economic cooperation with foreign countries are also the economic policy measures which should support and have a coordinating effect on increase in the commodity exchange with foreign countries and on greater participation in the international division of labour.

In this respect, of special importance is a successful carrying out of stabilization of the domestic market, as well as a more strongly pronounced course of the investment policy towards the advancement of the production intended for export.

For the purpose of the most successful possible realization of the aforementioned goals, it is necessary to study more thoroughly and investigate the possibilities and the policy of development of economic relations with foreign countries and with different regions, about which the responsible organs should submit a report and proposals to the Federal Assembly.

Chapter IV

THE POLICY OF EMPLOYMENT AND GROWTH OF PRODUCTIVITY OF LABOUR

1. For the purpose of realization of the general aims of our economic policy, growth of production and achievement of better economic results, primarily on the basis of more intensive economic operations, better utilization of funds and greater productivity of labour, it will be necessary to ensure a slower growth of employment of fresh labour in 1965. Such orientation should also contribute to improvement in the system of distribution of personal incomes in the work organizations, in which it is especially necessary to develop the methods of distribution which stimulate better utilization of funds, introduction of more modern methods of work, and advancement of various processes of production.

Growth of production and of services in 1965 should be achieved by means of a considerably greater share of the productivity of labour than the growth of employment. The growth of the productivity of labour in the public economy should amount, with the envisaged growth of production, to about 7 per cent, and the growth of employment up to 3.5 per cent.

2. The work organizations which will switch-over to a shorter work week in 1965, should make this switch-over, as a rule, without increasing their labour, or by increasing the labour only in those activities and on the scale it is necessarily unavoidable.

Increase in employment in the tertiary activities should, as a rule, be made in the servicing activities of economic character, in education and in the crafts. Employment in the organs of administration, in banks, in insurance offices, in the political and social organizations, in the economic associations and in the chambers, should not be increased. This should also contribute to the switch-over to the system of profit-and-loss in the organs of administration and its consistent application in the public services.

3. A more moderate growth of employment in the year 1965, should make improvement in the qualification structure of the job-holders possible. It is possible especially to increase the number of new job-holders with medium vocational qualifications. The improvement of the qualification structure of the job-holders can also contribute to an improvement in the system of distribution of personal incomes, in which it is necessary to increase the incentive for achievement of results on technical training of the employed workers.

4. It is necessary to ensure that the persons who seek employment are systematically trained and prepared, and particularly to bear in mind the necessity of employing women and youth in rural settlements by means of better coordination of the work of the labour exchange offices with the current tasks and needs of the economy and of other activities, and a more definite orientation of this service towards an organized cooperation with the educational institutions and with the economy and other activities in connection with preparation for employment. Similarly, the labour exchange offices should orientate themselves on a larger scale towards vocational training and re-training of the persons who seek employment.

Chapter V

THE POLICY OF PERSONAL INCOMES, CONSUMER SPENDING AND LIVING STANDARD

1. The material relations which will be formed next year, will make it possible to pursue the policy of increasing the consumer spending and raising the living standard of the working people in 1965. In accord with the possibilities which are offered by the growth of production and by the structure of the available stocks of goods, the real personal incomes of the job-holders should, also in the coming year, grow faster than the growth of production and of productivity of labour, whereby the process of re-distribution in favour of consumer spending will be further realized. It is envisaged that the real personal incomes per job-holder will be increased by about 9 per cent, as compared with the anticipated growth of productivity of labour of about 7 per cent, and employment of about 3.5 per cent. If a slower growth of employment is achieved and the productivity of labour is more quickly increased, then the growth of the real spending per job-holder could be greater by the same proportions.

Insurance of the planned growth of real consumer spending should be supported by appropriate measures of the economic and production policy in the social plans of the <u>federation</u> and the republics, especially with respect to increase of the commodity funds of the agricultural food articles.

2. The growth of the real incomes in individual work organizations and socio-political communities will depend on the result of their business. The changes in the conditions of business operations which will be carried out during 1965, will make it possible to apply more consistently the principle of formation of funds for personal incomes depending on the achieved productivity of labour and on the business results in all activities.

Changes in the level of the personal incomes of the job-holders in the public services and organs should be made depending on the trends in the personal incomes in business and depending on the results, importance and complexity of the work which those activities perform. Such policy of personal incomes should be borne in mind by all the socio-political communities in determining the total funds for the state organs and services, and this policy, at the same time, should make possible the correction of the personal income in those activities in which the personal incomes are lagging behind, above all in the educational institutions.

A faster growth of real personal incomes than the growth of the general productivity of labour in 1965 should serve, above all, as a basis for improvement of the economic position, and of the personal incomes on the same basis, in the economic groups which have an unfavourable economic position, especially for improvement of the material position of the skilled workers. The work organizations should profit by the more favourable conditions for business operations next year for improvement of the mechanism of internal distribution.

3. Next year, the funds for consumer spending on the basis of social security and health insurance will be considerably increased. By that, the material basis for putting of the new pension system into effect and the valuation of pensions will be insured, while the health insurance funds will also be increased.

Taking into consideration the planned growth of real personal incomes, the growth of incomes for the purpose of increasing the number of the job-holders, the incomes on the basis of social security and health insurance and other personal incomes, as well as the consumer credit, savings and other factors which influence the volume of consumer spending, the volume of consumer spending in the state sector could be increased by about 10.5 per cent, and the total real consumer spending by about 8.4 per cent in 1965.

4. It is necessary that the responsible organs in 1965 follow strictly, day by day, the trends in the personal incomes and in the cost of living, and that they undertake measures, in good time, for ensuring the growth of the real personal incomes in accordance with the growth of the productivity of labour and with the success of the business. It is necessary, therefore, to advance the method of following both the trends in the personal incomes and the prices and the cost of living, not only on a nation-wide basis, but also within the framework of individual socio-political communities so as to help the work collectives make their decisions on personal incomes.

5. It is of great importance that the opstina, especially in large cities, undertake systematic measures to improve the conditions for the supply of the agricultural produce, because the growth of the prices of these articles is still one of the most significant potential hot-beds for the growth of the cost of living. With this aim in view, the opstina should undertake the necessary economic and organizational measures for stabilization of the agricultural produce market and ensurance of a stable and regular supply of produce.

For the purpose of ensuring the planned growth of real consumer spending and of the living standard, the opstina should devote full attention to the development of the service crafts as well.

Chapter VI

FUNDS FOR ECONOMIC DEVELOPMENT OF THE ECONOMICALLY UNDERDEVELOPED REPUBLICS AND REGIONS OF THE COUNTRY

1. Pending the introduction of the Law on the Federal Fund for the Financing of the Development of the Economically-Underdeveloped Republics and Regions of the Country, and the beginning of its application, the financing of the economic development of the areas mentioned will be done according to a provisional, transitional method in 1965. The money for this Fund for 1965 will be set aside from the federal resources for the financing of investments in the economy in the amount which will be fixed by the Law on the Economic Planning Measures.

The funds which will be set aside for the needs of the economic development of the economically-underdeveloped republics and regions of the country in 1965 will serve primarily for the fulfilment of the obligation of the federal government with respect to investments in the fixed assets and in the permanent working capital for these republics and regions, which obligations have been created on the basis of the Yugoslav Social Plans from 1961 to 1965. The rest of the total amount of the available money in the Fund will be used for financing quicker economic development of the Autonomous Province of Kosovo-Metohija which is considerably lagging behind the development of our other republics and regions of the country.

2. In the policy of utilization of the secured funds for the financing of the economic development of the economically-underdeveloped republics and regions of the country, priority should be given to completion of the projects at hand, as well as the ensuring of participation in the financing of the execution of projects from the regular investment credits and in the financing of projects in the field of transport. Further authorization of new credits for individual purposes should be done in accordance with the general guidelines of the investment policy which are fixed by this Plan and which will be fixed by the Plan for the period from 1964 to 1970. For the purpose of the fullest possible realization of the policy of quicker economic development of the economically-underdeveloped republics and regions of the country, it is necessary to proceed with the organization and effective extension of technical aid to the economy of these republics and regions in 1965.

Chapter VII

POLICY AND TASKS IN THE FIELD OF HOUSE-BUILDING AND COMMUNAL DEVELOPMENT

1. For 1965, a further increase of investments in the field of house-building is envisaged. The public investments in this field on the basis of the available funds for 1965 will, it is estimated, be about 17 per cent higher than the estimated investments in 1964. Such a growth of investment in house-building supported, amongst other measures, also by financing of the production of apartments for sale, will lead to a further shift in the structure of the investments in favour of house-building.

It is estimated that in 1965 the number of the completed apartments from all available funds will be increased by between 8 and 9 per cent compared with the number of the apartments built in 1964.

2. By changes in the system of the housing economy in 1965 conditions should be created for quicker growth of house-building and quicker raising of the dwelling standard, as well as for fuller inclusion of house-building and utilization of apartments in the general economic system. The utilization of the housing fund, the house-building and its financing, as well as administration of apartments should be based more, and in a more consistent manner, on economic principles, whereby sufficient impetus should be ensured for quicker development of the erection of apartments and greater effectiveness of investments in house-building. By these changes,

house-building should be included in the uniform system of reproduction, relying on the personal incomes of the citizens, the funds of the work organizations and utilization of long-term bank credits. Together with the carrying out of changes in the system of financing house-building, it is necessary to undertake necessary measures also for quicker development of those economic activities on which the amount and structure of the production of apartments, the speed of building, the expenses etc, depend.

In accordance with the changes which have to be carried out in the system of house-building, 1965 should represent a transition year in which it is necessary to maintain continuity of house-building and ensure its further increase, while at the same time creating material, organizational and financial requisites for a fuller application of the new system in the coming years. It is necessary, meanwhile, to ensure during the year a gradual carrying out of all the changes for which it is possible to secure the necessary material conditions, and which can speed up the switch-over to the new system in this field and also boost the development of these activities upon which the scale of production of apartments depends.

4. In 1965, there will also be continued a considerable construction of communal facilities which is made contingent by the growing needs which are occurring in connection with the ever-increasing house-building, as well as with the building in the field of public services and the economy.

Parallel with the changes in the system of financing house-building, it is necessary to carry out, in 1965, also appropriate changes in the system of financing communal development, especially financing the water-main and sewer systems for which it is necessary to secure credit funds from the same sources as for house-building. Until the financing of the communal funds is solved on a long-term basis, it will be necessary in 1965, as transitional year, that the republics and the opstina, in addition to other sources of investments in the communal projects, provide the necessary funds for the construction of the necessary facilities in this field.

Chapter VIII

TASKS IN THE FIELD OF EDUCATION

1. In the year 1965, it will be necessary to create conditions for further advancement of the whole of the educational field and to coordinate its development with the needs for personnel which stem from the economic and social development of the country. It is therefore necessary to work towards further integration of education with the whole of economic and social development. The process of integration in the field of education should be based more on contact between the educational institutions and the associations of the respective work organizations in the economy and in public services. Within the framework of that, it is necessary to re-examine the needs for personnel, for capacities and for a network of the appropriate educational institutions.

In the year 1965, the spotlight of all measures in the field of education must be directed onto the solving of the basic problems, namely: further broadening of the material basis of education; improvement of the material position of teaching staff by means of a more considerable increase in their personal incomes, which should be harmonized with the incomes of the corresponding categories of the working people in other activities; raising of the quality of education; improvement in the structure of the teaching staff, primarily on the basis of stimulation of teaching as a profession; strengthening and further development of democratic relations and of self-management in the field of education; and codification of the adopted principles of financing of the educational institutions. Through social plans and other measures, all the socio-political communities should give priority to the solving of these basic problems of education.

2. Raising of the quality of education represents one of the basic tasks which should be systematically dealt with during the course of next year. To that end, it will be necessary to devote the greatest attention to more effective education, to a more flexible coordination of the system of education, especially technical education, with the needs of modern economy and social development.

3. The material funds set aside for education should be increased in the year 1965, so that the numerous problems in the educational institutions could be more quickly dealt with, and this should be taken into consideration by the plans of all the socio-political communities.

In the year 1965, it will be necessary to discard more fully the administrative-budgetary system of financing and more consistently to develop the system of

independent earning and disposing of incomes by the work organizations in the field of education. Paying attention to the specific nature of educational activity, the work organizations in this field should, therefore, be basically equalized with other work organizations, providing them with funds and income in accordance with the results of their work and with social requirements, and creating a possibility for the utilization of credits for the broadening of the material basis of the work and development of these work organizations. In connection with this, it is necessary, by appropriate changes in the system of financing of the educational institutions, to create conditions for the formation of the necessary income for the educational institutions and for the strengthening of their economic and social independence. All this should contribute to a more rational spending of funds in this activity.

4. In view of the importance of elementary education as the basis of the whole of the educational system, it is necessary to create in the year 1965 conditions for its further development and fuller realization by increasing the scale of embracing children of from 7 to 14 years of age by eight-year schooling. The Opstine should intensify their efforts to broaden the material basis of education, including also the need for expanding school premises. It is necessary to systematically create conditions for the liquidation of third shifts in schools. It is also necessary to tie the pre-school institutions to the educational institutions, to broaden their material basis and create conditions for embracing a larger number of children by pre-school education.

5. In the year 1965, also, it will be necessary to give priority to the development of schools and educational institutions of the second level, especially those which educate professional personnel for the economy and for the public services, in view of the fact that personnel with secondary education represent one of the weakest points in the qualification structure of job-holders.

6. For the purpose of raising the quality of university education and quicker finishing of studies, it will be necessary in the year 1965 to devote full attention to quicker stabilization and preparation for educational and scientific work of the already opened institutions of higher learning, and also to coordinate their work with the needs which arise from the intensive economic development and application of modern scientific achievements.

7. In the year 1965, it will be necessary to develop more quickly the policy of acquiring education while working. To this end, the responsible organs will propose materialization of this policy and measures which should be undertaken in that field, engaging on that the associations of work organizations, the chambers and the educational institutions themselves.

8. It is necessary to develop the sense of responsibility of the work organizations, of the communes and of the social organizations, as well as of the schools and other educational institutions for greater and fuller concern with respect to the material and social conditions of education and more successful education of youth. To this end, it is necessary to improve the material position of the hostels for pupils and students and to work towards their expansion.

9. In 1965, also, it will also be necessary to examine the problems of elementary education and the education of professional personnel in the economically under-developed regions of the country, with the aim of proposing measures which would speed up the development of education in those regions, because this is one of the pre-requisites for their quicker economic and social development.

Chapter IX

TASKS IN THE FIELD OF SCIENTIFIC-RESEARCH WORK

For the purpose of a quicker and all-round development of scientific-research work and its fuller inclusion in the whole process of social reproduction, in the year 1965 it will be necessary to increase the setting aside of funds for this field. In view of the fact that, with the changes which have been made in the distribution of income, more favourable conditions have been created for increasing investments in research tasks, above all those which are of interest for technological and general economic development, the economic organizations should give the proper place in the distribution of incomes to the necessary funds for scientific-research work, while the socio-political communities should increase these funds in proportion to the increase in their resources. This orientation should be supported by the development of credit relations in this field, by facilities in connection with the purchase of imported equipment for scientific institutions, and by freeing capital investments in the scientific organizations from the restriction on capital investments in the year 1965.

The socio-political communities should also by other measures help the creation of conditions for an all-round development of scientific-research work, because it represents one of the basic factors for increasing the productivity of labour and the whole economic and social development of our country. To this end, it will be necessary, by means of appropriate measures, to encourage the pooling of the funds of the economic organizations with funds from other sources, especially when it is a question of financing bigger research projects.

It will be necessary in the year 1965 to increase efforts in the direction of creating the material and organizational conditions for effective education and advanced training of personnel for scientific-research work and for the development of scientific work at our universities. In connection with this, it will be necessary to ensure full coordination in the utilization of the funds that are set aside for scientific research and funds that are set aside for the development of education.

Chapter X

TASKS IN THE FIELD OF CULTURE AND PHYSICAL CULTURE

1. In the year 1965, the material basis of the work organizations in the field of culture will be improved. In connection with that, it will be necessary to study the material position and the different forms of acquisition of income by the work organizations in this field, and also to undertake measures, by means of appropriate changes in the system of their financing, in the direction of having the income of these work organizations formed the same as in other public services, that is, on the principle of the results of their work and public needs. The work organizations in the field of culture should improve the system of internal incomes distribution in accordance with the existing social principles.

2. It is necessary to devote special attention to the development of publishing and newspaper activity, to the production of films and to the opening of cinemas, with a tendency to make these work organizations able to operate as independent factors of expanded reproduction.

It is necessary to undertake measures to improve the material position and accelerate the development of other cultural institutions, notably: the halls of culture, the theaters, the libraries, the museums, the archives, the protection of monuments of culture and other structures for utilization of the cultural wealth and development of cultural and artistic activities of our citizens.

The plans of the opstina and of the Republics will determine the limits of development of the institutions in the field of culture and the arts, in connection with which they should take into consideration the need for improving their material position and for quicker development.

3. In the year 1965, the putting up of ultra-short-wave transmitters will be continued, to embrace the whole of the territory of Yugoslavia with ultra-short-waves.

In the year 1965, the major part of the Third Stage of putting up the TV transmitters and TV channels will be realized. Also, the number of TV studios will be increased and the technical conditions of the work of the TV improved. The ever-increasing number of TV subscribers is creating conditions for improvement of the material position of the work organizations in our TV service.

4. In the field of physical culture, the focus of development in the year 1965 should be on improvement of the conditions for inclusion of the largest possible number of citizens in the activities of this branch and for the broadening of the material basis for the development of physical culture among children and youth through local communities, schools and other educational institutions. It is especially necessary to speed up the education of personnel in the field of physical culture. The plans of the opstina will determine the funds for the ensuring of the material basis for the development of physical culture according to the needs and possibilities which have arisen from development so far.

For the purpose of further advancement of physical culture and of social relations in this field, it is necessary to further develop and improve the system of social self-management.

Chapter XI

TASKS IN THE FIELD OF PUBLIC HEALTH AND SOCIAL WELFARE

1. The basic task in the year 1965 ought to be further expansion of the scale and quality of the protection of health of the whole population, especially children, women and youth, as well as protection at work and quicker and more effective solving of urgent health problems of importance for the whole of the country.

2. For the purpose of executing these tasks, it is necessary to fix minimum conditions for the carrying out of health protection in the opstina and to ensure their application.

All the socio-political communities should introduce their programmes of health protection measures, based on the health condition of the population, and envisage

in them the solving of the most urgent problems in accordance with the real possibilities.

It is also necessary to provide material and other conditions for the medical centers, to enable them to keep track of the health condition of the population, to draw up their plans and programmes, to coordinate their work and to extend aid to the health institutions and organizations and to exercise control over the professional work of the health institutions.

3. In the further development of the material basis of the medical service and its further gaining of independence, it is necessary to improve the system of contracting for medical services while ensuring that the price of the medical services contains also funds for expanded reproduction. Besides this, it is necessary to make it possible for the medical establishments to calculate more independently and use their funds for amortization. The financing of enlarged reproduction of the medical establishments should be more fully included in the banking and credit system.

The development of the network of medical establishments should be done in accordance with the programmes of development of health protection of the socio-political communities, with the greatest possible orientation towards the development of clinics, poly-clinics and dispensaries, while the stationary medical establishments should be developed in accordance with the needs of broader regional territories. Similarly, it is necessary to pay attention to the improvement of equipment of the existing medical establishments.

4. Improvement in health protection should also be realized by means of firmer linking together of the medical establishments through the medical centres and also by means of developing the process of integration in cases in which needs and possibilities exist for that. For the purpose of improving the quality of health protection and a more even development of the medical service, it is necessary to introduce proper norms and standards both with respect to personnel and with respect to the equipment of the medical establishments.

5. In the year 1965, it is necessary to continue further improving the system of self-management in the medical establishments and also to ensure fuller application of the principle of remuneration in proportion to work done. The relationship between the medical establishments and the social security service should be developed more and more on the principle of mutual cooperation, while contracting for health protection should be done on the basis of programmes of work of the medical establishments which should be in accordance with the programmes of

the health protection measures of the socio-political communities. In such a method of contracting, the role of the medical centres should grow still more.

6. For the purpose of further improvement of health conditions in accordance with the economic possibilities, the system of health insurance of farmers should be further expanded.

7. On the basis of more rapid economic development, as well as the budgetary subsidies of the federal government, conditions are being created for the improvement of health protection in the economically underdeveloped regions of the country. It is necessary to work out a system of expert-technical aid in those areas in the field of health and health protection.

8. The rapid economic development and the change in the social structure of the population, the transformation of family and of family relations, the larger and larger scale of employment of women, the conditions of education of children and youth, the shortage of dwelling space and other factors, impose the need for a stronger development of social welfare and of its quicker achievement of the necessary qualifications for solving social problems.

The socio-political communities, as mainstays of social welfare, should improve the conditions for the protection of children and adults who need the aid of the social community, and, for that purpose, envisage in their plans larger funds in accordance with the needs and the growth of their material possibilities.

In the year 1965, it is necessary to continue developing and further strengthening the technical service of social welfare, as well as the education of the necessary personnel--by means of opening and equipping social welfare centres as well as a network of institutions for the social welfare of children and adults.

In cities and industrial centres, it is necessary to create conditions for quicker development of institutions for the protection of children whose parents are employed, and for the solving of these tasks to engage work organizations to a greater extent especially with respect to the financing of these institutions.

In the year 1965, it is necessary to create material conditions for the gaining of economic independence by the social welfare institutions and for their quicker switching over to the system of income and remuneration in proportion to work done.

The plans of the socio-political communities should make possible better material conditions for the activities of these institutions and for their development, depending on the social importance of their function the programme of activities and the results which they achieve.

Chapter XII

BUDGETARY EXPENDITURE

1. The keeping of the budgetary expenditure in accordance with the basic guidelines of the economic polic fixed by this Plan, assumes that the real volume of the material budgetary expenditures, with the exception of the funds intended for social services, will remain at approximately the same level as in the year 1964, and that personal income per job-holder in the budget-financed institutions will grow in accordance with the growth of personal income in the work organizations and in other organizations in our economy and in other social activities. In accordance with our general investment policy, the financing of investments from budgetary resources, not including investments in the living standar should be about 20 per cent lower than in the year 1964.

However, the funds which are set aside from the budge for the requirements of living standard activities should ensure the work and development of these activities in accordance with the general policy of raising the living standard of the working people.

2. The assemblies of those socio-political communities which directly determine the formation and spending of budgetary resources should, in framing their plans for the year 1965, pay attention to these proportions, which represent important elements of the stabilization policy in the coming year, and achieve the greatest possible saving in the field of budgetary spending.

Under the provisions of Article 287, Paragraph 1, Item 1, of the Constitution of the Socialist Federal Republic of Yugoslavia, I issue the following

D E C R E E

PROCLAIMING THE LAW ON ECONOMIC PLANNING MEASURES FOR THE YEAR 1965

The Law on Economic Planning Measures for 1965, adopted by the Federal Assembly at the session of the Federal Chamber of January 26, 1965, and at the session of the Economic Chamber of January 26, 1965, is proclaimed.

P.R. No. 121

Belgrade, January 27, 1965

President of the Republic,

Josip Broz Tito

President of the
Federal Assembly,

Edvard Kardelj

LAW ON ECONOMIC PLANNING MEASURES FOR THE YEAR 1965

Article 1

This Law determines the economic planning measures which will ensure the realization of the specific aims, tasks and relations fixed by the Yugoslav Social Plan for the year 1965.

I. BASIC DISTRIBUTION OF FEDERAL FUNDS

Article 2

The revenues which the federation realizes in the year 1965 from the resources fixed by this Law, and the revenues fixed by other federal regulations as federal revenues, shall be apportioned as follows: to the 1965 federal budget funds; to the funds which the federation contributes as its share in financing investments in the economy; to the moneys intended for the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions of the Country, and to the federal economic reserve funds.

1. The Federal Budget for 1965

Article 3

Of the revenues which on the basis of federal regulations go to the federation, the following shall be put into the 1965 budget:

1) the revenues which, under the provisions of Article 35 of the Basic Law on the Financing of Socio-Political Communities, go to the federation;

2) the surplus in the federal funds from previous years -- up to the amount of 22,500 million dinars; and

3) other revenues envisaged by the federal budget for 1965 in accordance with the Basic Law on the Financing of Socio-Political Communities.

2. Federal Funds for the Financing of Investments

Article 4

The funds which the federation contributes as its share in the financing of investments in the economy, not including the resources which, under Article 6 of this Law, are set aside for the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions, are fixed to amount to 180,500 million dinars in 1965.

The federal funds referred to in Paragraph 1 of this Article shall be formed from the revenues from which, under the existing regulations on distribution, the federal funds for financing investments in the economy are formed, namely:

1) interest on the funds in the economy;

2) interest which the National Bank of Yugoslavia earns as federal revenues on credits which it grants; and

3) the other revenues which belonged to the now abolished General Investment Fund.

Article 5

The federal funds for the financing of investments shall be used:

1) for financing investments without an obligation to repay--36,300 million dinars;

2) for credits for guaranteed investments --7,400 million dinars;

3) for repayment of loans and credits which the federation contracted in foreign countries for financing investment in the economy, without obligation to repay--8,900 million dinars;

4) for credits to specialized banks--up to the total amount of 126,400 million dinars, of which a credit amounting to 76,200 million dinars shall be given to the Yugoslav Investment Bank, a credit amounting to 31,000 million dinars to the Yugoslav Agricultural Bank, and a credit amounting to 19,200 million dinars to the Yugoslav Bank for Foreign Trade; and

5) for transfer to the credit fund of the National Bank of Yugoslavia--1,500 million dinars.

3. Funds Intended for the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions of the Country

Article 6

The funds intended for the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions of the Country shall be set aside in the year 1965 from the federal funds for financing investments in the economy in the amount of 85,000 million dinars.

4. Federal Economic Reserves

Article 7

The federal economic reserve fund shall be formed from all the federal revenues which are not apportioned under existing regulations or under this Law; from the funds achieved in excess of the amounts fixed for financing investments from federal resources and for defraying the expenditures of the federal budget; from the funds which are collected on credits granted from the federal economic reserves; as well as from the unused moneys in the federal economic reserves achieved in 1964 or in previous years up to the amount of 5,000 million dinars.

Article 8

The money lying in the federal economic reserve fund shall be used, on the basis of special decisions of the Federal Assembly, to carry out the tasks envisaged under the 1965 Yugoslav Social Plan.

The surplus federal funds achieved according to the 1963 balance-sheets, minus the amount referred to in Article 3, item 2), and in Article 7 of this Law, shall be used for settlement of the obligations of the federation towards the National Bank of Yugoslavia.

The amount of the price difference for the stocks of mercantile wheat and rye left over from 1963 crop and earlier crops, of flour and groats of these grains, and

for the stocks of sugar and edible oil, paid into special accounts of the Public Accounting Service in accordance with the Decision on the Formation of Prices and Payment of Price Difference for specific products ("Official Gazette of the SFRY" No. 30/64), shall be used to increase the State material reserves.

II. UTLIZATION OF FEDERAL FUNDS FOR FINANCING INVESTMENTS

1. Utilization of Federal Funds Intended for Financing Investments without Obligation to Repay

Article 9

Investments up to a total amount of 53,100 million dinars shall be financed in 1965, without an obligation to repay, from the federal resources and from the resources of the foreign loans which the Yugoslav Investment Bank has contracted, as follows:

I. Through the Yugoslav Investment Bank investments in the field of transport and communications--up to the amount of 38,100 million dinars, as follows:

1) for railway lines		21.800
of which:		
(1) for continuation of construction of the Sarajevo-Ploce railway line	16,200	
(2) for continuation of the work on hand on construction of key structures on the Belgrade-Bar line	2,600	
of which:		
a) on the territory of the Socialist Republic of Serbia	2,000	
b) on the territory of the Socialist Republic of Montenegro	600	

(3)	for work on construction of the Benkovac-Zadar section of the Knin-Zadar Line		1,000	
(4)	for work on construction of the Gostivar-Kicevo Line and the Zajas-Tajmiste junction line		2,000	
2)	for roads			14,700
	of which:			
(1)	for work on the building of the Adriatic Highway		11,630	
	of which:			
a)	on the territory of the Socialist Republic of Croatia	5,200		
b)	on the territory of the Socialist Republic of Montenegro	4,930		
c)	on the territory of the Socialist Republic of Serbia	1,500		
(2)	for work on construction of the Zupanja-Sarajevo-Metkovic-Opuzen road		3,070	
3)	for the Port of Bar			300
4)	for the navigation system on the Danube			1,000
5)	for studies and research in the field of transport and communications			100

II. Through the Yugoslav Agricultural Bank for the building of the Danube-Tisa-Danube Canal -- up to the amount of 10,000 million dinars, and for soil reclamation work in the Socialist Republic of Macedonia-- up to the amount of 5,000 million dinars.

The amount of 38,100 dinars referred to in Item I, Paragraph 1, of this Article, with the exception of the sum under sub-item 4) for the navigation system on the Danube, and the sum under sub-item 5) for studies and research in the field of transport and communications, shall represent the federation's share of 85 per cent of the value of the investments in 1965 for projects of that kind. The remaining 15 per cent of the total investments in these projects shall be provided by the republics on whose territories these projects are being constructed.

The funds referred to in Item I, Paragraph 1, sub-item 5), of this Article, shall be used by the Federal Secretariat for Transport and Communications primarily for the settlement of obligations under contracts concluded previously.

2. Utilization of Federal Funds Intended for Financing Guaranteed Investments by Way of Credits

In 1965, guaranteed investments shall be financed by way of credits to the amount of 7,400 million dinars. From these funds, the Yugoslav Investment Bank shall finance by way of credits investments in fixed assets and in working capital up to the amount of 6,400 million dinars, and the Yugoslav Agricultural Bank shall finance by way of credits investments in fixed assets up to the amount of 1,000 million dinars.

The funds which are given for guaranteed investments in accordance with Paragraph 1 of this Article on the territories of the Socialist Republics of Macedonia and Montenegro and the Autonomous Province of Kosovo-Metohija, for which credit contracts had been concluded by the end of 1960, shall be used in 1965 to settle the obligations in connection with those investments--under the conditions which applied to the financing of those investments in 1960.

The capital projects on the list of guaranteed investments whose construction started before the end of 1960 on the basis of preliminary agreements between the Yugoslav Investment Bank and the investors, and for which the final credit contracts were concluded after December 31, 1960, shall also be considered to be

guaranteed investment projects for whose financing contracts were concluded before the end of the year 1960, in accordance with Paragraph 2 of this Article.

The amount of 1,000 million dinars referred to in Paragraph 1 of this Article shall be used by the Yugoslav Agricultural Bank in 1965 for improving and equipping large agricultural farms and for soil-reclamation projects on the territory of the Autonomous Province of Kosovo-Metohija.

For the purpose referred to in Paragraph of this Article, the Yugoslav Agricultural Bank shall also use the amount of about 2,000 million dinars of the unused part of the funds given to the Bank in 1964 for the same purpose.

Article 11

The credits granted from the beginning of 1953 till the end of 1960 from the resources of the now abolished General Investment Fund and from other federal resources for investments on the territories of the Socialist Republics of Montenegro and Macedonia and the Autonomous Province of Kosovo-Metohija, with the balance as on December 31, 1964, and the funds envisaged under Article 10 of this Law for credits for guaranteed investments in 1965, on which the annuities belong to these socio-political communities, shall be carried over to the social investment funds, or to the funds for financing economic investments in these republics.

The procedure determined in Paragraph 1 of this Article shall also be applied in connection with credits for participation in the guaranteed investments authorized in 1963, 1964 and 1965, as well as in connection with credits granted under the Decision on the Allocation of Funds from the Federal Economic Reserves to Cover Overdrafts in the Expenditures on Guaranteed Investments ("Official Gazette of the SFRY" No 19/63), and under Article 22 of the Law on Economic Planning Measures for 1964.

The republics and the provinces may introduce regulations on special facilities (extension of time-limits for repayment of credits, lower rates of interest, deferred payment of part of annuities, and so forth) for the assets carried over according to Paragraphs 1 and 2 of this Article.

3. Repayment of Loans Contracted by the Federation in Foreign Countries

Article 12

From the funds fixed in Article 5, Paragraph 1, Item 3, of this Law, amounting to 8,900 million dinars, the Yugoslav Investment Bank shall repay the loans and credits which the federation has contracted in foreign countries for financing investments in the economy without an obligation to repay.

4. Terms and Conditions for Granting Credits to Specialized Banks from Federal Resources

Article 13

The funds referred to in Article 5, item 4, of this Law shall be given to specialized banks on credit under the following terms and conditions:

1) to the Yugoslav Investment Bank -- with repayment period of 30 years, and at the rate of interest of 2 per cent per annum;

2) to the Yugoslav Agricultural Bank -- with repayment period of 25 years, and at the rate of interest of 1 per cent per annum; and

3) to the Yugoslav Foreign Trade Bank - with repayment period of 10 years and at the rate of interest of 4 per cent per annum for investments in fixed assets and in permanent working capital, and with repayment period of 10 years and at the rate of interest of 2 per cent per annum for credits for the export of equipment and for the carrying out of work in foreign countries on credit.

Repayment of these credits shall start on January 1, 1968.

Credit contracts with specialized banks shall be concluded on behalf of the federation, and annuities collected, by the National Bank of Yugoslavia.

III. UTILIZATION OF FUNDS OF SPECIALIZED BANKS AND THE NATIONAL BANK OF YUGOSLAVIA FOR INVESTMENTS IN THE ECONOMY

Article 14

In 1965, the Yugoslav Investment Bank, the Yugoslav Agricultural Bank, the Yugoslav Foreign Trade Bank, and the National Bank of Yugoslavia shall use the resources of their credit funds, the resources of foreign loans, and the resources which are given to the Banks under the provisions of this Law (Articles 5 and 18 of this Law) for investments in the form of credits for fixed assets and for permanent working capital; for credits for the export of equipment on credit, as well as for financing the carrying out of capital projects in foreign countries, in accordance with the general principles of the Social Plan of Yugoslavia for 1965, and under the provisions of this Law and other federal laws.

Article 15

The Yugoslav Investment Bank shall primarily participate in financing investments in the field of industry and mining: for the construction of electric power projects, for the construction and expansion of coal mines, for the construction of plants for the production of crude oil and natural gas, for the construction of plants in ferrous and non-ferrous metallurgy, for the construction of projects in the basic chemical industry and the cellulose, wood pulp and paper industries, as well as for projects which will contribute to an increase in the production for export; in the field of transport and communications: for modernization of railway transport, for the purchase of sea and river vessels, for projects and equipment for postal, telegraph and telephone services on main internal and international routes, for sea ports and for the construction of basic radio and television structures and installations; in the field of tourism: for participation in financing the investments which will contribute to the advancement of foreign tourism, on the understanding that, from the funds which under special regulations are intended for these purposes, the Bank will refund the amounts of the credits given by the Bank for these purposes in 1964 from the funds which were at the Bank's disposal in that year.

The Yugoslav Investment Bank shall grant credits for participation in the financing of investments in Novi Beograd--up to the amount of 2,000 million dinars.

Article 16

The Yugoslav Agricultural Bank shall participate in the financing of investments, primarily: for increasing the areas of arable land of work organizations; for the purchase of agricultural equipment, especially for the purchase of complete equipment for crop farming; for the development of plants for the production of meat, milk and animal fodder, and for the production of goods intended for increasing exports.

The Yugoslav Agricultural Bank may, under credit contracts in the year 1965 for the purposes referred to in Paragraph 1 of this Article, create commitments under which it will engage federal funds for the coming years only up to the level of 50 per cent of the funds given to it under the provisions of Article 5, Item 4, of this Law.

Article 17

The Yugoslav Foreign Trade Bank, as well as other commercial banks authorized to deal in foreign exchange, shall participate in the financing of investments for the advancement of exports and in granting credits for the export of equipment, and for the carrying out of capital work in foreign countries on credit.

Article 18

The National Bank of Yugoslavia shall finance investments for the economic organizations which the Bank directly finances, up to the amount of 5,000 million dinars.

The National Bank of Yugoslavia shall, from the funds obtained for agricultural products imported on the basis of foreign loans, grant credits to specialized banks for their participation in the financing of investments in the economy, bearing in mind repayment terms and the solvency of the banks.

IV. UTILIZATION OF RESOURCES OF PUBLIC FUNDS

Article 19

For the purpose of the realization of the specific basic material relations in our economy, fixed by the Social Plan of Yugoslavia for 1965, and for the purpose of achieving the stability of our economy, the resources of certain public funds and other specified public resources may be used in accordance with the provisions of Articles 20 to 38 of this Law.

1. Utilization of Resources of Various Public Funds

Article 20

The resources of the Fund for the Financing of House-Building, the resources of the Educational Fund, the moneys intended for the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions of the Country, and the money allocated, on the basis of federal regulations, for the rebuilding and development of Skopje, may be used in 1965 in the full amount in which they are realized.

The resources of public investment funds and the resources of socio-political communities and of the credit funds of banks derived from the revenues of the now abolished public investment funds, realized in 1965, may be used in that year only for credits to economic organizations for investments in permanent working capital.

Article 21

As an exception to the provisions of Article 20, Paragraph 2, of this Law, the funds which are realized in 1965 may be used in their full amount in that year for other purposes as well if they derive from:

1) the subsidies given in the year 1965 for specific purposes;

2) the funds of annuities collected on credits given from federal resources and from the now abolished General Investment Fund to investors in the economically underdeveloped regions of the country, funds which, in

accordance with the provisions of the Federal Social Plans and the provisions of Article 11 of this Law, have been allocated to public investment funds or to funds for financing economic investments in these regions.

Article 22

The provisions of Article 20, Paragraph 2, of this Law shall not apply:

1) to the resources of the federation and of the republics for financing investments in the economy;

2) to the resources of public investment funds of the republics and of the autonomous provinces realized in 1965 on the basis of collected annuities; and

3) to the resources of the credit funds of specialized banks and of the economic banks of the republics derived from annuities on credits given from the now abolished public investment funds.

Article 23

For the purpose of ensuring investments in permanent working capital in proportion to the investments in fixed assets, of the resources of public investment funds which, under the provisions of this Law and other existing regulations, may be spent in the year 1965, and of the resources of socio-political communities for financing investments in the economy, derived from the now abolished public investment funds, a maximum of 75 per cent may be used for giving credits for investments in fixed assets, and a minimum of 25 per cent may be used for giving credits for permanent working capital.

The provision of Paragraph 1 of this Article shall not apply to:

1) the resources of public investment funds and the resources of socio-political communities for financing investments in the economy which derive from the revenues of the now abolished public investment funds and which are given for participation in the financing of investments or for guaranteed amounts of credits granted in previous years from the General Investment Fund, and in 1964 and 1965, from the resources of credit and other funds of specialized banks;

2) the subsidies granted in 1965 for specific purposes;

3) the funds from foreign loans and credits intended for investments; and

4) the federal funds for financing investments.

The ratio of the share of credits for permanent working capital, which existed on December 31, 1964, in the sum total of credits given from the resources of public investment funds and from the resources of socio-political communities for financing investment in the economy--these resources deriving from the revenues of the now abolished public funds--may not be changed in 1965.

2. Utilization of Resources of Obligatory Reserve Funds

Article 24

In 1965, obligatory reserve funds and special obligatory reserves, in accordance with decisions passed by the Republics, shall not be set aside.

The resources of the obligatory reserve funds which economic organizations set aside in 1961, 1962 and 1963, may not be used in 1965, unless otherwise determined under a federal law or under regulations of the Federal Executive Council issued on the basis of a federal law.

The provisions of Paragraph 2 of this Article shall not apply to institutions in the field of medical care nor to other institutions which make a distribution of incomes.

3. Special Budgetary Reserve

Article 25

The resources of the special budgetary reserve of socio-political communities, formed on the basis of Article 35 of the Law on the Economic Planning Measures for 1964, and fixed by the balance-sheets of the execution of the budgets, may not be used in 1965.

As an exception to the provision of Paragraph 2 of this Article, the resources of the special budgetary reserves of the Socialist Republics of Croatia and Slovenia and the respective Srez and Opstina in these republics,

which were formed in 1964, may be used in 1965 for the removal of the consequences of the floods on the territories which were flooded in October 1964.

4. Utilization of the Resources of the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions of the Country

Article 26

From the resources intended for the Federal Fund for Financing the Economic Development of the Economically Underdeveloped Republics and Regions of the Country, resources which are formed in accordance with Article 6 of this Law, funds shall be allocated to settle the federal obligations for investments in fixed assets in 1965 in the economically underdeveloped republics and regions of the country, obligations which were undertaken on the basis of the Social Plan of the Economic Development of Yugoslavia from 1961 to 1965, and which have not yet been carried out, namely:

Socialist Republic of Montenegro	5,030 million dinars
Socialist Republic of Macedonia	16,320 million dinars
Aut.Prov.of Kosovo-Metohija	13,640 million dinars
Underdeveloped regions in: Socialist Republic of Bosnia-Hercegovina	17,880 million dinars
Socialist Republic of Croatia	5,380 million dinars
Socialist Republic of Serbia	10,550 million dinars

For investment in permanent working capital in connection with the investments referred to in Paragraph 1 of this Article, a sum of 3,900 million dinars shall be used.

From the resources referred to in Paragraph 1 of this Article, credits shall be granted to the Socialist Republics of Montenegro and Macedonia and to the Autonomous Province of Kosovo-Metohija to contribute to the financing of uncompleted capital projects for which credit contracts were concluded before the end of 1960; for increased participation in the investments which the General Investment Fund continued to finance in 1963; for participation in financing the development of the projects whose financing from the General Investment Fund was stopped in 1963; as well as for participation in financing the building of communication arteries and ports from the resources referred to in Article 9 of this Law, namely:

Soc. Republic of Montenegro	1,665 million dinars
Soc. Republic of Macedonia	5,350 million dinars
Aut.Prov.of Kosovo-Metohija	555 million dinars

The remaining money in the Fund shall be used for further credits for the economic development of the Autonomous Province of Kosovo-Metohija, and for the needs directly financed by the Fund, namely:

1) for additional credits for the economic development of the Aut.Prov.of Kosovo-Metohija	4,600 million din.
2) for the needs directly financed by the Fund	130 million din.

5. Utilization of Net Incomes of Railway Transport Enterprises

Article 27

For the purpose of ensuring funds to finance necessary investments in the field of railway transport, railway transport enterprises may in 1965 use the net income earned in that year, after deducting the part used to pay personal incomes of the workers, for financing the investment for which money from their business funds is used.

6. Utilization of Funds Intended for Investments

Article 28

The users of public property may not start construction of new administrative buildings in 1965.

Article 29

In 1965, the givers of credits and the investors must, when making payments for investments, deduct 25 per cent of the amounts of the payments from the funds from which they finance the investments, and pay that amount into a special account with the office of the Public Accounting Service where the givers of the credits and the investors have their current accounts.

For the administrative and executive buildings referred to in Article 28 of this Law, whose construction was started by the users of public property before October 20, 1964, and continued in 1965, the funds set aside in accordance with Paragraph 1 of this Article shall amount to 40 per cent.

Article 30

Advance payments effected by October 20, 1964 shall be considered as payments for investments effected by that date.

Article 31

The provisions of Article 29 of this Law shall also apply to the payments made from the resources of the guarantees given for payment of investments in accordance with the Regulation on Guarantees for Payment of Obligations under contracts concluded between the users of public property ("Official Gazette of the FPRY," No. 53/61).

Article 32

The amounts of the funds which the givers of credits place at the disposal of investors in 1965 shall be reduced by the amount which the givers of credits set aside in a special account in accordance with Articles 29 and 31 of this Law.

Article 33

The investors and those who carry out the work or supply equipment shall reach agreement to regulate their mutual relations stemming from the application of the provisions of Articles 29, 31 and 32 of this Law.

If agreement is not reached between an investor and those who carry out the work or supply equipment, the contractor of work or supplier of equipment may stop further execution of capital work or manufacture of capital equipment after carrying out the necessary measures to preserve the work completed.

The costs of preservation work referred to in Paragraph 2 of this Article shall be borne by the investor.

Article 34

The funds set aside in a special account with the Public Accounting Service in accordance with Articles 29 to 31 of this Law may be used by the givers of credits and the investors according to the regulations which the Federal Assembly shall introduce depending on the general situation in the economy.

No interest shall be paid on the funds referred to in Paragraph 1 of this Article.

The givers of credits and the investors shall pay no interest, as prescribed under the Law on Interests on Funds in the Economy, on the moneys set aside in accordance with Paragraph 1 of this Article.

Article 35

The provisions of Article 29, Paragraph 1, of this Law shall not apply to the payments which relate to capital investments for:

1) hydro-electric and thermo-electric power stations, heating plants, power transmission lines, transformer stations and mobile installations up to and above 35 kv;

2) anthracite and bituminous coal mines and lignite mines, including coal washing and screening plants, coking plants, drying plants, briquette plants, and gas works;

3) plants for the exploitation of crude oil and natural gas, and oil refineries;

4) iron ore mines, iron ore flotation and enriching plants, excluding those plants of steel works which belong in the metal-processing branch;

5) non-ferrous metals mines, plants for enriching non-ferrous metals and for production of alumina, and plants for production of non-ferrous metals;

6) salt mines and salt works;

7) geologic and mining prospecting work;

8) plants for production of refractory materials, plants for the production of asbestos-cement articles and cement works;

9) plants for the production of sulphuric acid, artificial fertilizers of all kinds, soda (sodium carbonate), pharmaceutical raw materials and antibiotics, viscose, plastic materials, as well as monomers for chemical fibres;

10) plants for the production of prefabricated elements for building;

11) plants for the production of wood pulp, cellulose and paper, whose construction was started before October 1, 1964;

12) plants which are intended for increasing exports, under contracts concluded with the bank;

13) plants in the field of agriculture and fisheries, including also plants for the production of animal fodder, malt plants and edible oil plants;

14) plants for the development, raising and exploitation of forests;

15) river and road transport facilities, and postal, telegraph and telephone services facilities, as well as radio-broadcasting and television structures and installations;

16) foreign equipment for road transport, on the basis of agreements concluded by September 30, 1964;

17) foreign equipment for air transport, on the basis of agreements concluded by September 30, 1964;

18) ships for maritime service;

19) sea ports;

20) the Adriatic Highway, the "Brotherhood and Unity" Road, the Nis-Dimitrovgrad Road, and the Zupanja-Sarajevo-Metkovic Road, as well as other public roads in whose building and reconstruction cement and concrete reinforcing steel are not used;

21) structures for storage of agricultural and food articles, and shops for retail trade;

22) the building and reconstruction of structures which will ensure an increased number of accommodation and feeding facilities, transport and other services, with the object of advancing foreign tourism;

23) service crafts facilities and service shops for household needs;

24) apartment buildings, including the preparation of building sites for their construction; sewage and watermains; and educational and cultural structures;

25) investments in the economically underdeveloped regions of the country which are financed, wholely or partly, from the federal funds intended to speed up the development of these regions;

26) plants for the development of Skopje, Slavonski Brod and neighbouring localities where buildings were damaged by earthquakes;

27) clinics, polyclinics and dispensaries, and institutions for children's protection, as well as other structures for health protection whose construction started before December 31, 1964; and

28) structures and equipment for scientific institutions and for scientific-research units in economic and other work organizations.

The provisions of Article 29 of this Law shall not apply to the payments which relate to capital investments for the rebuilding of damaged administrative and executive buildings, and of the economic plants damaged by the floods in October 1964 in the Socialist Republics of Croatia and Slovenia.

Article 36

The provisions of Article 29, Paragraph 1, of this Law, shall not apply:

1) to payments for investments which investors make from the resources of their business funds and amortization funds; and

2) to payments for investments which were financed from foreign loans, and were completed by September 30, 1964.

Article 37

The provisions of Articles 28 to 36 of this Law shall not apply to investments to meet the needs of the Yugoslav People's Army.

Article 38

The federal secretaries shall, each of them for the activity under his competence, and in agreement with the Federal Secretary for General Economic Affairs, if and when necessary, introduce more detailed regulations on the kinds of structures which will come under the provisions of Articles 28 and 35 of this Law, and which buildings will be considered administrative or executive buildings, and what is considered to be the date when their construction started.

V. CREDIT POLICY MEASURES

Article 39

On the basis of liquid deposits and credits obtained from the National Bank of Yugoslavia, commercial banks may only grant short-term bank credits to the following:

1) economic organizations--for trade in goods and for stocks of certain goods;

2) socio-political communities, educational funds, social security funds and labour exchange offices, as well as institutions which have their own sources of income--for settling the difference created by an uneven inflow of planned revenues compared with planned expenditures; and

3) citizens--as consumer credits.

Article 40

Besides the credits referred to in Article 39 of this Law, commercial banks may, from the resource of (their) funds and within the limits which the National Bank of Yugoslavia shall fix in agreement with the Federal Executive Council, also grant credits for specific business operations and purposes, namely:

1) for production of goods for export;

2) for production of agricultural products by state-owned organizations and by those organizations in cooperation with private agricultural producers;

3) for the production and distribution of films;

4) for the preparation and stocking of specified editions of books and other publications; and

5) for sale of books on credit to libraries by publishing enterprises.

The Federal Executive Council may, on the recommendation of the National Bank of Yugoslavia, rule that, besides the credits referred to in Paragraph 1 of this Article, credits for other specific business operations and purposes may also be granted.

Article 41

Credits for trade in goods in the country may be granted for goods sold but not paid for, and to commercial economic organizations also for goods purchased but not paid for.

Credits for trade in goods in the country may not be granted if the purchaser is the final consumer.

Time-limits for repayment of these credits may not be longer than three months.

Article 42

Credits for trade in goods with foreign countries may be granted for goods exported but not paid for.

Time-limits for repayment of these credits may not be longer than three months. In justified cases, these time limits may be extended within the time-limits envisaged by the regulations on foreign exchange operations.

For goods imported under special conditions, commercial banks may also grant import credits. More specific conditions for granting these credits shall be prescribed by the National Bank of Yugoslavia.

Article 43

Credits for stocks of goods may be granted for seasonal stocks of ready-made goods and reproduction materials, and for stocks of goods prepared for export.

Credits for seasonal stocks of ready-made goods may be granted for the increased volume of stocks caused by seasonal disproportions between production and sale, or between purchase and sale.

Credits for seasonal stocks of reproduction materials may be granted for the increased volume of stocks due to seasonal disproportions between purchase and manufacture.

Credits for stocks of goods prepared for export may be granted for goods for which proof is furnished that they will be sold in a foreign market, notably in the case when there is an increased volume of stocks and when that increase is connected with the execution of export deals.

Time-limits for repayment of the credits referred to in this Article shall correspond to the duration of the season for which the credits are granted, or to the time-limit for the execution of the export deal, on the understanding that they may not be longer than one year.

In exceptional cases, if special circumstances so demand, the National Bank of Yugoslavia may rule that commercial banks may, under specific conditions, grant credits for special stocks of goods as well.

Article 44

Credits for settling the differences caused by the uneven inflow of planned revenues compared with planned expenditures of socio-political communities, educational funds, social security funds, and labour exchange offices, as well as of institutions which have their own sources of income, may be granted by September 30, 1965.

These credits may be granted by commercial banks only if credit-applicants are unable to cover the existing difference between the inflow of the planned incomes and the planned expenditures from the resources of their own funds or from other resources which can be used for this purpose.

Credits may be granted to socio-political communities, educational funds and institutions which have their own sources of income with repayment time-limits till November 30, 1965, and credits to social security funds and to labour exchange offices with repayment time-limits till December 31, 1965.

To those social security funds which are unable to meet their expenditures in 1965 from their incomes at the envisaged rates of contribution for social security and from their contingent funds, banks may grant credits to cover the difference caused by the achievement of incomes lower than planned, with repayment period not longer than one year.

The credits referred to in this Article may not be granted by banks to credit-applicants who have put their money in the banks as fixed (orocene) deposits, in securities or treasury bonds, up to the amount of that money.

Article 45

Commercial banks may grant consumer credits and credits to institutions in accordance with the provisions of federal regulations.

Credits which are granted to certain households for increasing tourist accommodation capacities are also considered to be consumer credits referred to in Paragraph 1 of this Article.

Commercial banks may grant credits to the economic organizations which fulfil the prescribed conditions to cover consumer credits granted by those organizations.

Article 46

Credits for the production of goods for export and credits for production of agricultural articles may be granted with repayment periods of up to one year.

As exceptional cases, credits for the production of goods for export whose production lasts more than a year, credits for the production of biennial agricultural crops, and credits for breeding young livestock may be granted with a repayment period which corresponds to the duration of the production, but may not exceed two years.

Credits for the production of and trade in films, credits for the preparation and stocking of specific editions of books and other publications, and credits to publishing enterprises for sale of books on credit to libraries, may be granted with repayment periods of up to three years.

Article 47

Commercial banks may, on the basis of liquid deposits and credits obtained from the National Bank of Yugoslavia, grant credits to economic organizations to cover losses, to make stocks of goods which are not in great demand, and to cover bad debts.

Article 48

Commercial banks may grant credits referred to in Articles 39 and 40 of this Law only to credit-worthy economic organizations and other work organizations.

In accordance with Article 56 of this Law, the National Bank of Yugoslavia may rule that, as a condition of credit-worthiness of economic organizations, they must, parallel with increasing the volume of their business, increase also the appropriate sources of funds for financing investments which are necessary for such an increased volume of business.

Commercial banks must undertake measures to ensure that bank credits are used only for the purposes for which they have been granted, and also that, by means of those credits, the working capital of the economic organizations is not being siphoned to fixed assets and other forms of final spending.

Article 49

In accordance with the aims, tasks and guidelines fixed by the Yugoslav Social Plan for the year 1965, commercial banks may, from the resources of their credit funds and the monetary resources of their other funds, with the exception of the reserve fund; from the resources of fixed deposits with a period of withdrawal longer than one year; from the funds accumulated by the issuance of securities and treasury bonds with repayment periods longer than one year; as well as from the resources of deposits acquired on the basis of foreign credits with repayment periods longer than one year, grant credits for all purposes for which they may grant credits under existing federal regulations, making sure that time-limits for repayment of these credits are in accord with the principles of the policy of safe-guarding the solvency of the banks.

The resources of fixed deposits with a withdrawal period of up to one year and the funds acquired through the issuance of securities and treasury bonds with repayment periods of up to one year, may not be used by commercial banks for granting credits for investment in fixed assets and in permanent working capital. Commercial banks may use these resources for granting credits referred to in Articles 39 and 40 of this Law, as well as for other specific business operations and purposes. Time-limits for repayment of these credits may not be longer than one year.

Under the conditions stated in Paragraph 1 of this Article, credits may also be granted for the building of apartments for sale from the resources of the funds for financing house-building earmarked for that purpose, as well as from other resources which, under this Article, may be used for such investments.

Article 50

Commercial banks may not in 1965 reduce the existing ratio of the share of credits for working capital in the sum total of credits which they have given from the resources envisaged in Article 49, Paragraph 1, of this Law.

For the purpose of further improving the financing of permanent working capital, commercial banks must give at least 25 per cent of the increase in the credits from the resources stated in Paragraph 1 of this Article during the year 1965, compared with the situation at the end of the year 1964, for increasing credits for the permanent working capital of economic organizations.

The provision of Paragraph 2 of this Article shall not apply to fixed deposits from the resources of the obligatory part of the reserve fund of economic organizations and from the resources of the joint reserves of economic organizations, nor to fixed deposits with withdrawal periods shorter than one year (Article 49, Paragraph 2).

Article 51

The banks of the republics and of the autonomous provinces may, from the fixed deposits of the obligatory part of the reserve funds of economic organizations, grant credits to the joint reserves of economic organizations with repayment periods of up to eight years, for the purpose of securing additional funds to cover losses in the economy. These credits may be granted under the condition that the republics and the autonomous provinces, from the resources of which they dispose, secure, for the joint reserves of economic organizations, at least 50 per cent of the amounts of the funds required to cover the losses for which the credits are granted.

Article 52

In 1965, the National Bank of Yugoslavia shall grant interest-free credits to the federation to cover the differences which occur because of an uneven inflow of revenues compared with expenditures, with the time-limit for the repayment of these credits by the end of the fiscal year.

The National Bank of Yugoslavia shall provide for the Raw Materials Board and the Food Board credits necessary for the formation of periodic market reserves in 1965. Time-limits for the repayment of these credits shall depend on the position of these reserves.

Article 53

The National Bank of Yugoslavia shall grant credits, directly and under equal conditions, to all the commercial banks which, in their banking operations, keep to the aims and measures of the credit policy fixed by the Yugoslav Social Plan for 1965, by this Law and other federal regulations, as well as by the National Bank's instructions.

Those commercial banks which do not draw credits from the National Bank of Yugoslavia may grant credits to other commercial banks only if the latter are creditworthy in accordance with the National Bank's instructions.

The National Bank of Yugoslavia may grant credits to specialized banks to cover the irregular inflow of their incomes from annuities during the current year, with the time-limit for repayment by the end of the year 1965 at the latest.

Article 54

The National Bank may stop granting further credits to a commercial bank whose credit policy is not in accord with the aims and measures of the general credit policy fixed by the Yugoslav Social Plan for 1965, by this Law and other federal regulations, as well as by the instructions of the National Bank of Yugoslavia, and fix the time-limit within which the commercial bank must remove possible shortcomings. The National Bank shall report the detected shortcomings to the responsible Executive Council or to the assembly of the Opstina on whose territory the commercial bank has its seat.

The National Bank of Yugoslavia may refuse further payment of the already granted credits and proceed with their repayment, regardless of the actually agreed time-limits for repayment, in the case of a commercial bank which does not remove the detected shortcomings within the time-limit referred to in Paragraph 1 of this Article. The National Bank shall report its decision to the responsible Executive Council or the assembly of the Opstina on whose territory the commercial bank has its seat, for the purpose of undertaking the measures prescribed by law.

Article 55

The National Bank of Yugoslavia shall undertake appropriate measures for the purpose of ensuring stability of the economy and regulating the total amount of the credits which commercial banks grant on the basis of liquid deposits and credits obtained from the National Bank.

For the purpose of fulfilling the conditions referred to in Paragraph 1 of this Article, depending on the general situation in production and trade, the National Bank may demand that commercial banks limit the total amounts of the credits which they grant in accordance with Articles 39 and 40 of this Law.

Article 56

More detailed conditions for granting the credits referred to in Articles 39 and 40 of this Law, and time-limits for repayment of those credits, in accordance with the conditions and time-limits prescribed by this Law and by other federal regulations, shall be prescribed by the National Bank of Yugoslavia.

The National Bank of Yugoslavia may prescribe conditions and procedures for determining the credit-worthiness of credit-applicants, other conditions for granting credits, procedures for fixing the amounts of the credits, necessary documentation, and keeping records on the credits envisaged by this Law.

Article 57

For credits granted to cover losses in agriculture on the basis of the Order on Granting Loans to Agricultural Organizations to Cover Losses shown in their balance-sheets for 1959 ("Official Gazette of the FPRY," No 46/60), the Decision on Granting Credits to Agricultural Organizations to Cover Losses shown in their balance-sheets for 1960 ("Official Gazette of the FPRY," Nos 23/61 and 30/61), and the Decision on the Procedure and Conditions for Granting Credits to Cover Losses of Agricultural Organizations shown in their balance-sheets for 1961 ("Official Gazette of the FPRY," No. 29/62), time-limits for repayment shall be extended to 30 years, and a rate of interest of 1 per cent per annum shall be fixed.

For credits granted to the Socialist Republic of Serbia on the basis of the Decision for Granting Special Credits for the Removal of the Consequences of the Floods in the Socialist Republic of Serbia ("Official Gazette of the SFRY," No 23/63) and to the Socialist Republic of Macedonia on the basis of the Decision on Granting a Special Credit to the Reserve Fund of the Socialist Republic of Macedonia ("Official Gazette of the SFRY," No 12/63) for granting consolidation credits to economic organizations which suffered damage from floods, the time-limit for repayment shall be extended to 30 years.

The period during which part of the credits has already been repaid shall be counted as part of the 30-year time-limit fixed in Paragraphs 1 and 2 of this Article.

In conformity with the time-limit fixed in Paragraph 1 of this Article, the National Bank of Yugoslavia shall extend the time-limit for repayment of a credit granted to the Yugoslav Agricultural Bank for credits to cover losses in agriculture, and the Yugoslav Agricultural Bank shall extend the time-limit for repayment of a credit granted for the same purpose to the reserve funds of the republics.

Article 58

/Ecomomic organizations from certain economic branches, or groups of economic organizations, may demand of their Bank that they settle in reduced amounts their obligations under the credits which fall due for repayment in 1965 and 1966, but not below 50 per cent of the agreed annuity./

At the request of economic organizations, or groups of economic organizations, from certain branches of the economy, specialized banks shall decrease their obligations under the credits which fall due for repayment in 1965 and 1966, but not over 50 per cent of the agreed obligations.

(This paragraph is included on the basis of an amendment published in "Official Gazette of the SFRY" No. 8/65 - Ed.)

The provision of Paragraph 1 of this Article shall apply to the following: coal mines and coking plants; ferrous-metallurgy enterprises; non-ferrous metals mines and enterprises for the production of non-ferrous metals; non-metal minerals mines; salt mines and salt works; enterprises for the production of basic chemical products; enterprises for the production of cement and cement-asbestos articles; economic organizations of agriculture and fisheries, forestry, the timber and wood industry, railway transport and tourism (construction and reconstruction of facilities for enlarging accommodation, feeding, transport and other services by which foreign tourism is advanced).

The specialized banks which have granted credits to the investors referred to in Paragraph 2 of this Article as their share in the investment expenditures financed by the republican or communal banks, may meet the demand of the investors for a reduction in their obligations with respect to the annuities in accordance with Paragraph 1 of this Article, on the condition that

the obligations of the investors with respect to payment of annuities on the credits which other credit-givers have given for those investments have been decreased by the specialized banks by the same or larger percentage than that demanded by the investors.

The banks must meet the demands of the investors for a reduction in their obligations with respect to the annuities in accordance with Paragraphs 1 and 3 of this Article, safe in case of a credit granted from the bank's own resources.

/If, by changing the credit contracts, the Yugoslav Agricultural Bank reduces by March 31, 1965 the originally agreed annuities on the credits referred to in Paragraph 1 of this Article, economic organizations may demand deferred payment of the annuities in accordance with this Article only for the difference between the amount of the reduced annuity and the amount of 50 per cent of the original amount of the annuity./

(This paragraph is deleted on the basis of an amendment published in "Official Gazette of the SFRY" No 8/65--Ed.)

Article 59

The banks which have, on the basis of Article 12 of the Law on the Introduction of Interest on Funds in the Economy ("Official Gazette of the FPRY" Nos 8/61 and 13/63), increased the agreed rate of interest, to be paid by economic organizations which are users of credits, up to the amount of the rate of interest prescribed for the business fund of the respective economic organization, must fix the rate of interest which applied to those credits before the rate of interest was increased, for the part of the unsettled obligations under the credit contracts.

Article 60

Those banks which, because of the application of the provisions of Articles 57 to 59 of this Law, collect interest at a lower rate than agreed, shall be entitled to recompensation for the difference in interest in accordance with the provisions of the Law on Credit and Other Banking Operations.

Article 61

Interest at the rates fixed in Articles 57 and 59 of this Law shall apply to the first calculation of annuities which falls due after this Law comes into force.

Article 62

In the course of the year, the National Bank of Yugoslavia shall submit a report to the Federal Assembly on the realization of the credit policy measures, on the methods for its carrying out, on changes and supplements in its credit and other operations which the Bank has carried out on the basis of special authorizations, as well as on the experiences gained in the development of new business relations between the Bank and other commercial banks.

VI. FEES WHICH INDUSTRIAL AND MINING ECONOMIC ENTERPRISES PAY FOR UTILIZATION OR EXPLOITATION OF WATER IN 1965

Article 63

The validity of the 1963 Decision on Fees which industrial and mining economic organizations pay for the utilization or exploitation of water ("Official Gazette of the SFRY" No 25/63) shall be extended until the introduction of a basic law on waters.

VI. AUTHORIZATIONS FOR INTRODUCTION OF SPECIFIC REGULATIONS

Article 64

For the purpose of carrying out the further stabilization of the market and maintaining the level of the prices and rates fixed by the Yugoslav Social Plan for the year 1965, the Federal Executive Council may:

1) prescribe selling prices or rates for specific articles and services, and the procedure for the formation of those prices and rates;

2) limit the level of prices and rates in the communal economy;

3) introduce, pending the introduction of a special law, regulations on exempting the export or goods and services from specific obligations towards the community; and

4) introduce, pending the introduction of a special law, regulations on recompensations and premiums in the economy, and regulations on the utilization of subsidies given from the federal resources to economic organizations.

The Federal Executive Council's regulations on limitation of the level of taxes and turnover taxes introduced by socio-political organizations, as well as reduced fares in passenger transport which applied in the year 1964, shall apply also in 1965 until the introduction of corresponding federal laws.

The Federal Executive Council is authorized to prescribe that the positive differences achieved in the year 1964 by the Food Board and the Raw Materials Board in their operations with state material reserves, may be used in amounts of up to 7,000 million dinars for the building of warehouses for state material reserves.

VIII. CONCLUDING PROVISION

Article 65

This Law goes into effect on the eighth day following the date of its publication in the "Official Gazette of the SFRY," and shall apply from January 1, 1965.

- * -

Under the provisionsof Article 217, Paragraph 1, Item 1, of the Constitution of the Socialist Federal Republic of Yugoslavia, I issue the following

D E C R E E

PROCLAIMING THE LAW ON THE FEDERAL BUDGET FOR THE YEAR 1965

The Law on the Federal Budget for the year 1965, adopted by the Federal Assembly at the session of the Federal Chamber of January 27, 1965, and at the session of the Organizational-Political Chamber of January 27, 1965, is proclaimed.

P.R. No. 129

Belgrade, January 28, 1965

President of the Republic,

Josip Broz Tito

President of the
Federal Assembly,

Edvard Kardelj

LAW ON THE FEDERAL BUDGET FOR THE YEAR 1965

I. GENERAL PART

Article 1

The Federal Budget for the year 1965 provides for:

Revenues amounting to:.....Dinars 817,017,000,000

Apportioned revenues
amounting to: .....Dinars 806,137,000,000

Unapportioned revenues
(current budget reserves)
amounting to:.....Dinars 10,880,000,000

Article 2

From the 1965 federal budget revenues, funds shall be provided:

1) for requirements of federal organs and national defence;

2) for additional funds for the budgets of the republics for which, on the basis of law, those funds are provided by the federation;

3) for the performance of activities of institutions of public services and other organizations for which, on the basis of federal regulations or contracts, funds are provided under the federal budget;

4) for the realization of rights and obligations under international agreements and treaties;

5) for the repayment of loans for which funds are provided under the federal budget;

6) for the fulfilment of obligations of the federation towards disabled war veterans and other persons whose rights are fixed under federal regulations;

7) for investments which are financed under the federal budget;

8) for intervention in the economy;

9) for other needs and for the fulfilment of obligations and tasks of general importance for the federation.

Article 3

Federal organs shall independently dispose of the funds which are provided for them for the performance of their regular activities according to the results achieved in the execution of tasks, in conformity with law.

Article 4

Additional funds for the performance of their regular activities may be allocated to federal organs only if their tasks are changed, or if new tasks are assigned to them, or if the conditions of their work are so changed that they demand an increase in the number of workers or in expenditures.

The Federal Executive Council shall decide to allocate additional funds in accordance with Paragraph 1 of this Article on the basis of a request from the organs and the documentation submitted on the nature, complexity, and scope of the tasks, or on changed conditions of work.

The increase in the funds for the performance of regular activities of the organs in accordance with Paragraph 1 of this Article shall be made from the budget reserves.

Article 5

Any cuts in the funds fixed by the budget for the performance of regular activities of federal organs may be made only if their tasks are reduced or if the conditions of their work are changed and demand a reduction in the number of their workers or a cut in their expenditures.

The Federal Executive Council shall decide to cut the funds referred to in Paragraph 1 of this Article at the suggestion of the Federal Secretariat for the Budget and Organization of the Administration after consulting the organ whose funds are being reduced.

If on the basis of regulations tasks are transferred from one federal organ to another, the corresponding funds shall also be transferred together with the transfer of the tasks if the transfer of the tasks

requires a reduction in the number of the workers or a cut in the expenditures of the federal organ from which the tasks are being transferred and an increase in the number of the workers or in the expenditures of the federal organ to which the tasks are being transferred.

The budget reserve funds shall be increased by the amount of the reduced funds for the performance of the regular activities of a federal organ in accordance with the provision of Paragraph 1 of this Article, unless the transfer of those funds to another federal organ is made in accordance with the provision of Paragraph 3 of this Article.

Article 6

The funds provided for federal organs under corresponding appropriations of the special part of the budget for special tasks which are to be executed by those organs may be used only for the requirements for which those funds are intended.

The funds for special tasks, for which they are designated by this Law, may be used only on the basis of a contract concluded between the treasurer (nosilac) and the user of the funds.

Article 7

The amounts of the funds and the purposes for which they are to be used, as part of the funds apportioned for special purposes of individual federal organs, may be changed by the heads of those organs, in agreement with the Federal Executive Council.

The amounts of the funds budgeted for special purposes and the purposes for which they are to be used, may be exchanged between individual appropriations of the special part of the budget by the Federal Executive Council within the framework of the purposes fixed by the budget and the apportioned funds.

Article 8

The Federal Executive Council may, from the funds provided for house-building under the 1965 federal budget, set aside specific funds for giving credits for the building of dwelling units which the workers of federal organs are building contributing their own share.

The moneys set aside in accordance with Paragraph 1 of this Article may also be apportioned by the Federal Executive Council among the common expenditure funds of the federal organs as moneys intended for special purposes.

The conditions and methods for the utilization of the moneys set aside for the purposes stated in Paragraph 1 of this Article, shall be fixed by the Federal Executive Council.

Article 9

If during the course of the year a federal organ acquires the status of an institution, the Federal Executive Council shall decide whether the funds apportioned by the federal budget for the work of that organ will continue to be used for the performance of the activities for which the institution has been founded.

If the Federal Executive Council decides that the funds of the abolished federal organ cannot continue to be used for the needs for which they are apportioned in the budget, these funds shall be transferred to the budget reserve as unapportioned funds.

Article 10

The funds apportioned in the special part of the budget, appropriation 3, sub-allotment 20, shall be apportioned among individual socio-political organizations and associations of citizens by the Federal Executive Council.

The funds apportioned in the special part of the budget, appropriation 13, sub-allotment 146, for increases in and coordination of personal incomes, shall be apportioned among individual federal organs, after the introduction of wage-scales and other general regulations of the federal-organs, by the Federal Executive Council.

Article 11

The incomes of which the federal organs dispose through special accounts, on the basis of special regulations, shall continue to be used through the special accounts for the purposes and in the manner fixed in these regulations.

Article 12

The Federal Secretariat for the Budget and Organization of the Administration may, for its own Supply Service and the Copying Office, set aside, from the budget reserve funds, funds which will serve to secure the necessary stocks of stationery and inventory.

Article 13

The funds apportioned in the special part of the budget shall be used on the basis of fixed programmes and written contracts concluded on the basis of those programmes, as follows:

1. By the Federal Secretariat for Education and Culture, for the funds apportioned in appropriation 11:

1) under sub-allotment 89 - with the Yugoslav Lexicographic Institute;

2) under sub-allotment 90 - for the study of school and educational questions - with respective work organizations;

3) under sub-allotment 91 - with the Yugoslav Bibliographic Institute;

4) under sub-allotment 93 - for the protection of cultural monuments - with respective work organizations.

2. By the Federal Secretariat for Public Health and Social Welfare, for the funds apportioned in appropriation 12:

1) under sub-allotment 127 - with the Federal Institute for Health Protection;

2) under sub-allotment 141 - with the Federal Institute for Rehabilitation.

3. By the Federal Secretariat for Information, for the funds apportioned in appropriation 14:

1) under sub-allotment 182 - with the Tanjug News Agency;

2) under sub-allotment 183 - with Filmske Novosti (News Reel);

3) under sub-allotments 184 and 185 - with respective radio and television stations;

4) under sub-allotment 186 - with Radio-Television Belgrade;

5) under sub-allotment 187 - with the Yugoslav Radio-Diffusion;

6) under sub-allotment 188 - with the International Politics review.

4. By the Federal Secretariat for Industry, for the funds apportioned in appropriation 17, sub-allotment 210 - with the Yugoslav Institute for Standardization.

5. By the Federal Secretariat for Agriculture and Forestry, for the funds apportioned in appropriation 18, Sub-Allotment 236 - with the Yugoslav Dairy Institute.

6. By the Federal Secretariat for Transport and Communications, for the funds apportioned in appropriation 20:

1) under sub-allotment 262 - with the Institute for the Maintenance of Sea Navigation Routes;

2) under sub-allotment 263 - with the Institution for the Maintenance of Inland Navigation Routes.

7. By the Federal Labour Secretariat, in agreement with the Federal Secretariat for Agriculture and Forestry and the Federal Secretariat for Industry, for the funds apportioned in appropriation 21, sub-allotment 268 - for the requirements of the study of productivity of labour and other appropriate needs - with respective work organizations.

8. By the Federal Institute for Economic Planning, for the funds apportioned in appropriation 23, sub-allotment 281 - with the Yugoslav Institute for Economic Research.

9. By the Federal Geodetic Board, for the funds apportioned in appropriation 27, sub-allotment 310 - for land survey requirements - with respective work organizations.

10. By the Federal Institute for Coordination of Scientific Research, for funds apportioned in appropriation 33:

1) under sub-allotment 326 - with the Institute for International Politics and Economics;

2) under sub-allotment 327 - with the Institute for Social Sciences;

3) under sub-allotment 328 - with the Institute for Comparative Jurisprudence;

4) under sub-allotment 329 - with the Institute for the Study of the Labour Movement;

5) under sub-allotment 330 - with the Institute for Criminologic and Criminalistic Research;

6) under sub-allotment 331 - with the Geo-Magnetic Institute.

11. By the Federal Commission for Physical Culture, for funds apportioned in appropriation 37, sub-allotment 356 - with the Yugoslav Institute for Physical Culture.

Article 14

The treasurers of the funds apportioned for interventions in the economy, for scientific-research activity and for the advancement of economic fields, shall submit every three months to the Federal Executive Council reports on the funds used and the results achieved. These reports shall be submitted through the Federal Secretariat for Finance and the Federal Secretariat for the Budget and Organization of the Administration.

Article 15

Recompensations and premiums in certain branches of the economy and subsidies in certain branches of the transport service, for which funds are provided in the federal budget for interventions in the economy, shall be authorized according to the regulations on the utilization of those funds which the Federal Executive Council shall introduce.

The Federal Executive Council may, by regulations introduced on the basis of Paragraph 1 of this Article, authorized heads of the treasurers of those funds to determine, in agreement with the Federal Secretariat for Finance, conditions and methods for the utilization of the funds held by those treasurers.

Article 16

The obligations undertaken on the basis of the now abolished recompensations and premiums from the funds apportioned in appropriation 13, sub-allotment 153, of the special part of the federal budget, shall be carried out by the Federal Secretariat for the Budget and Organization of the Administration in agreement with the Federal Secretariat for Finance.

Article 17

The funds provided in the special part of the budget for requirements in the field of nuclear energy, for geologic-mining exploration work, for the advancement of agriculture and forestry, and for water resources (v priwrede), shall be used on the basis of programmes which the Federal Executive Council shall introduce on the proposal of heads of the treasurers of the funds.

Heads of the treasurers of funds are authorized to determine detailed conditions and methods for the utilization of these funds to carry out the programmes referred to in Paragraph 1 of this Article, in agreement with the Federal Secretariat for Finance.

Pending the introduction of the programmes, but by March 31, 1965 at the latest, provisional financing from these funds may be effected on the basis of decisions rendered by heads of the treasurers of the funds in agreement with the Federal Secretariat for Finance and the Federal Secretariat for the Budget and Organization of the Administration.

Article 18

The obligations created in the year 1964 on the basis of regulations on recompensations, premiums and subsidies, but unsettled by the end of 1964, may be settled by March 31, 1965 on the basis of the funds provided by the federal budget for 1965 for the same purpose, unless different time limits are prescribed by these regulations.

As an exception, for beneficiaries of recompensations and premiums in the field of agriculture, the obligations created in 1964 may be settled by June 30, 1965 unless different time-limits are prescribed by regulations on recompensations and premiums in the field of agriculture.

Article 19

The funds provided in the federal budget for 1964 for subsidies to enterprises in the field of transport (appropriation 244) but not spent by the end of 1964, may be used in 1965 to settle the obligations created on that basis up to the end of 1964.

The funds provided in the federal budget for the year 1964 for nuclear energy (appropriation 245), for geologic-mining exploration work (appropriation 246), for water resources (appropriation 247), and for the advancement of agriculture and forestry (appropriation 248), but not spent by the end of 1964, shall be carried over to 1965 and used for the same purposes.

The expenditure of these funds shall be separately shown in the balance-sheet (zavrsni racun) of the 1965 federal budget.

Article 20

The funds allocated to the 1964 federal budget from the federal economic reserves for payment of recompensation for coking coal imported during 1964, as well as for payment of recompensation for newsprint, but not spent by the end of 1964, may be used in 1965 for settlement of the obligations created on those bases up to the end of the year 1964.

Article 21

The funds provided in the 1964 federal budget for investments but not spent by the end of 1964, and the funds approved for the same purpose during the year 1964 from the budget reserves, shall be used for the same purpose until the final execution of the tasks for which they are intended or within the time-limits which the Federal Executive Council shall fix for some of these purposes.

The provisions of Paragraph 1 of this Article shall also apply with respect to the funds which were provided for investments in the budgets for previous years but were not spent by the end of 1964.

The funds provided in the 1965 budget for investments shall be used for the same purposes after December 31, 1965, if they are not spent by that date.

Article 22

Apportionment of the funds envisaged in the financial plan of the Yugoslav State Lottery for social and charitable public organizations, among which funds are apportioned in accordance with the provisions of the Law on the Yugoslav State Lottery, shall be effected, on the proposal of the Managing Committee of the Yugoslav State Lottery, by the Federal Secretary for Public Health and Social Welfare and the Federal Secretary for the Budget and Organization of the Administration.

Article 23

A survey of the revenues of the 1965 federal budget and their apportionment according to basic designations, are given in the Survey of Revenues and the General Apportionment of Revenues in the Federal Budget for the year 1965, which reads as follows:

S U R V E Y
OF
REVENUES AND THE GENERAL APPORTIONMENT OF REVENUES
IN THE FEDERAL BUDGET FOR THE YEAR 1965

Classification No. Form of Revenue	Subform of Revenue	REVENUES	Amount Subform of Revenue	Amount Form of Revenue
1	2	3	4	5
11		Item 1.:Contributions Contribution from personal income of employed		
	111	-- Contribution from personal income of employed in the economy.....	70,100,000,000	
	112	- Contribution from personal income of persons employed outside the economy.....	25,500,000,000	95,600,000,000
12		Contribution from personal income from agricultural activity.....		14,400,000,000
		Total Item 1:Contributions		110,000,000,000
21		Item 2: Taxes		
	211	Turnover tax - General Turnover tax	39,000,000,000	
	212	- Federal tax on trade in products and services.....	405,000,000,000	444,000,000,000
		Total Item 2:Taxes		444,000,000,000
		Item 3: Fees		
34		Consular fees		2,085,000,000
35		Customs fees		745,000,000
36		Taxes on foreign road vehicles		500,000,000
		Total Item 3: Fees		3,330,000,000
		Item 4: Custom duties		
41		Custom duties		230,000,000,000
		Total Item 4: Custom duties		230,000,000,000

Classification No. Form of Revenue	Subform of Revenue	REVENUES	Amount Subform of Revenue	Amount Form of Revenue
1	2	3	4	5
		Item 5: Revenues under special federal regulations		
54		Surplus in federal funds from previous years		22,500,000,000
		Total Item 5: Revenues under special federal regulations		22,500,000,000
		Item 6: Revenues of federal organs and various other revenues		
61		Revenues of federal organs		1,714,000,000
63		Other revenues		5,473,000,000
		Total Item 6: Revenues of federal organs and various other revenues		7,187,000,000
		Total revenues of the Federal Budget (from 1 to 6):		817,017,000,000

Classification numbers		GENERAL APPORTIONMENT OF REVENUES	Amount	
Appr. groups	Appr. subgroups		Appr. Subgroups	Approp. groups
1	2	3	4	5
		Basic Designation No.01: School activities		
1-2		Funds appertioned in specific amount:		
	01-2-1	For regular activity	197,000,000	197,000,000
		Total basic design.No.01		197,000,000
		Basic Designation No.02: Scientific and cultural-educational activity		
02-2		Funds appertioned in specific amount:		
	02-2-1	For regular activity	2,618,000,000	2,618,000,000
		Total basic design.No. 02		2,618,000,000
		Basic Designation No. 03:Social Welfare		
03-2		Funds appertioned in specific amount:		
	03-2-2	For special purposes	41,142,000,000	41,142,000,000
		Total basic design.No. 03		41,142,000,000
		Basic Designation No.04:Health protection		
04-2		Funds appertioned in specific amount:		
	04-2-2	For special purposes	4,758,000,000	4,758,000,000
		Total basic design.No. 04		4,758,000,000

Classification numbers		GENERAL APPORTIONMENT OF REVENUES	Amount	
Appr. Groups	Appr. subgroups		Appr. Subgroups	Approp. Groups
1	2	3	4	5
		Basic Designation No. 06: Work of state organs		
06-2		Funds apportioned in specific amount:		
	06-2-1	For regular activity	29,109,315,000	
	06-2-2	For spec.purposes	13,968,685,000	43,078,000,000
		Total basic design.No.06		43,078,000,000
		Basic Designation No. 07: National Defence		
07-2		Funds apportioned in specific amount		385,750,000,000
		Total basic design.No. 07		385,750,000,000
		Basic Designation No.09: General additional funds for socio-political communities		
09-2		Funds apportioned in specific amount:		60,100,000,000
		Total Basic design. No.09		60,100,000,000
		Basic Designation No.10: Additional funds for special purposes for socio-political communities, organs, inst.& orgns.		
10-2		Funds apportioned in specific amount:		10,750,000,000
		Total basic design.No. 10		10,750,000,000

Classification numbers		GENERAL APPORTIONMENT OF REVENUES	Amount	
Appr. Groups	Appr. Subgroups		Appr. Subgroups	Approp. groups
1	2	3	4	5
		Basic Designation No. 12: Activity of socio-political organizations and associations of citizens		
12-2		Funds apportioned in specific amount:	2,915,000,000	
		Total basic design. No. 12		2,915,000,000
		Basic Designation No. 13: Non-economic investments		
13-2		Funds apportioned in specific amount:	9,037,000,000	
		Total basic design. No. 13		9,037,000,000
		Basic Designation No. 14: Interventions in the economy		
14-2		Funds apportioned in specific amount:	178,360,000,000	
		Total basic design. No. 14		178,360,000,000
		Basic Designation No. 16: Budgetary obligations		
16-2		Funds apportioned in specific amount	2,071,000,000	
		Total basic design. No. 16		2,071,000,000
		Basic Designation No. 18: Unapportioned revenues (current budget reserves)		
18-2		Funds apportioned in specific amount	10,880,000,000	
		Total basic design. No. 18		10,880,000,000

Classification numbers		GENERAL APPORTIONMENT OF REVENUES	Amount	
Appr. groups	Appr. subgroups		Appr. Subgroups	Appr. groups
1	2	3	4	5
		Basic Designation No. 19: Special designations under the federal budget		
19-2		Funds apportioned in specific amount	65,361,000,000	
		Total basic design. No. 19		65,361,000,000
		Total apportioned and unapportioned revenues (basic designations Nos. 01 to 19)		817,017,000,000

II. SPECIAL PART

Article 24

The apportionment of revenues in the 1965 federal budget in the amount of 817,017,000,000 dinars among the treasurers, beneficiaries and definite purposes, within the general apportionment of the revenues referred to in Article 23 of this Law, is made in the Special Part of the 1965 federal budget which is published in the Supplement to the "Official Gazette of the SFRY."

III. CONCLUDING PROVISIONS

Article 25

This Law goes into effect on the day following the date of its publication in the "Official Gazette of the SFRY," and shall apply from January 1, 1965.

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